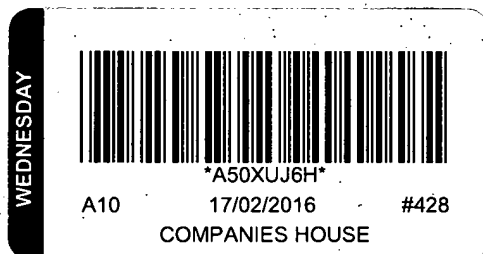


INSPIRE ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

Registered Number 07781921 (England and Wales)



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**INSPIRE ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 AUGUST 2015**

Members	Southampton City College Chair of Southampton City College Principal of Southampton City College Chair of the IAT Directors
Trustees/ Directors	Richard Blackwell (Chair to 07 Dec 2015. Resigned 31 Dec 2015) Hanif Brora (Chair from 07 Dec 2015) Sue Leamore (appointed 23 Feb 2015) Malcolm Le Bas (resigned 17 Dec 2015) Anthony Pitcher (Chair up to 07 Oct 2014. Resigned 14 Nov 2014) Brian Scott (appointed 01 Sept 2014. Resigned 20 January 2016) Sarah Stannard
School Local Governing Bodies	Malcolm Le Bas (Chair – IEA Southampton) to 31 Aug 2015 Brian Scott (Chair – Isle of Wight (IOW) Studio School up to 20 January 2016) Kevin George (Chair – Isle of Wight (IOW) Studio School from 20 January 2016)
Company Secretary	Lily Garth
Senior Management Team:	
<ul style="list-style-type: none"> • CEO / Accounting Officer • Executive Principal 	Sarah Stannard Christian Down to 31 Aug 2015. Richard White from 1 Sept 2015 Daniel Parker Richard White
<ul style="list-style-type: none"> • Finance Officer • Head Teacher of IoW Studio School 	
Principal and Registered Office	Inspire Academy Trust c/o Southampton City College Chapel Road Southampton SO14 1AR
Company Registration Number	07781921. (England and Wales)
Independent Auditor	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Chartered Accountants Highfield Court Tollgate Chandlers Ford Hampshire SO53 3TY

**INSPIRE ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS (Continued)
YEAR ENDED 31 AUGUST 2015**

Bankers

Barclays
Wytham Court
11 West Way
Oxford
OX2 0JB

Solicitors

Dempster Binning
5 West Links
Tollgate
Chandlers Ford
Eastleigh
Hampshire S053 3TG

INSPIRE ACADEMY TRUST TRUSTEES' REPORT

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the 2014-2015 academic year, the Trust operated two Studio Schools aged 14 to 19; one in Southampton and the other, a newly opened school in East Cowes, Isle of Wight. The Southampton school closed on 31 August 2015. During the year, the schools had a combined student capacity of 225 places and a combined roll of 114 due to lower recruitment than profiled for Southampton.

Structure, Governance and Management

Constitution

Inspire Academy Trust (IAT) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees are also the Directors of the charitable company for the purpose of company law. The Inspire Academy Trust operates Inspire Enterprise Academy (IEA) Southampton (September 2013- August 2015) and the Isle of Wight Studio School, which opened in September 2014.

Details of the trustees who served throughout the period are included in the Reference and Administrative Details on page 2.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Trust has a Risk Protection Arrangement (RPA) with the Department for Education (DfE) and within that agreement, all trustees have unlimited employers' and professional insurance cover.

Recruitment and Appointment of Trustees

The Trust Members appoint the Trustees who are recruited from the local communities to meet the skills and representation needs of the Trust and the communities it serves. Recruitment is via a variety of methods depending on the nature of the vacancy, including - but not limited to- advertisement and targeted searches.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees and school governors will depend on their existing experience. Where necessary, induction provides training on charity and educational legal and financial matters. All new trustees are offered the opportunity of a tour of the school(s) and to meet with staff and students. All trustees are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles.

INSPIRE ACADEMY TRUST TRUSTEES' REPORT (Continued)

Organisational Structure

The Trust Directors, its Finance and Audit Committee, and the Local Governing Bodies of each of its schools meet separately at least once every academic term. The Chair of each School is also a Director and Trustee of the IAT. In 2014-2015, the Trust and its Committees (including the Local Governing Bodies) were supported by the Executive Principal and senior staff. Details of the rules relating to the number of directors, their eligibility, appointment, reappointment and removal/retirement are set out in the Company's Articles of Association registered with Companies House.

Connected Organisations including Related Party Relationships

The Inspire Academy Trust was established as a result of an approved application made by Southampton City College to act as the sponsoring body for new studio schools to be set up in Southampton and on the Isle of Wight. The Trust is a subsidiary of Southampton City College.

The College, acting as sponsor, has contractual arrangements with the Trust for various support services. The Trust's CEO/Accounting Officer is also the College's CEO/Accounting Officer. There is an overlap in membership of the College Board and the Members and Directors of the Trust. Apart from the CEO, no other City College Board Member who is also Trust Director receives any remuneration from either the College or the Trust. The Clerk to Southampton City College is the Company Secretary of the Trust. The Trust's Finance Officer is also the Finance Manager of Southampton City College. There were no other known related party relationships in the period under review.

Objectives and Activities

Objects and Aims

The principal activity of the Trust is to advance for the public benefit, education in the UK, by establishing and developing a number of schools offering a broad curriculum.

Objectives, Strategies and Activities

The principal object and activity of the charitable company is the operation of the Inspire Academy Trust to provide education for pupils between the ages of 14 and 19 with an emphasis on business and enterprise.

Public Benefit

The Trust is an exempt charity and as such is regulated by the Education Funding Agency (EFA) on behalf of the Charity Commission for England and Wales. The Trust's objects are to advance education for the public benefit. The trustees are responsible for defining the strategic aims of the schools and directing the activities of the Principal in the furtherance of these objects. When setting objectives and planning activities, the trustees give careful consideration to the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

Overall student performance at the schools was good. Year 10 children settled well at the Isle of Wight school and in year monitoring showed good progress. IEA Southampton had its first GCSE results and the provisional GCSE results released by the DfE showed that it achieved 21% 5 A* to C. This low achievement figure however does not reflect the progress made by the pupils during their time at the school, as many entered with very low prior attainment.

INSPIRE ACADEMY TRUST TRUSTEES' REPORT (Continued)

During the year it became clear that there was insufficient parental and pupil demand for the Studio School offer in Southampton to maintain the school's future financial viability and a strong student experience. On the Trust's recommendation, the Minister decided to close the IEA on 31 August 2015.

Key Performance Indicators

This was the second year of operation. The key financial performance indicators were to operate a well-controlled budget, to ensure the successful establishment and performance of the Isle of Wight school and to make an appropriate decision about the future of the Southampton school being mindful of value for public money.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that Inspire Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Reserves Policy

The policy of the trustees is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the schools whilst ensuring that excessive funds are not accumulated. Over the next 3 - 5 years of operation, the trustees aim to have suitable reserves in order to meet at least three months' of essential school expenditure. Through a combination of future government funding and financial support from sponsors, the trustees are satisfied that the company's reserves will be sufficient for these purposes.

Investment Policy

The Trust seeks to maximise the use of the funds at its disposal by using a short term high interest deposit account with its current bank to maximise the return on its balances whilst retaining security of these funds at all times. Any alternative investments will be approved by the Trust Board before committing funds.

Principal Risks and Uncertainties

The principal risk is a lack of student applications to the Isle of Wight studio school. This is being managed through active marketing and promotion of the school to possible students.

Ensuring a good level of academic performance is a risk as the school is in its opening years. Progress is being monitored by the governing body and by the Department of Education through its support programme.

Plans for Future Periods

The Inspire Academy Trust will continue to build on its core philosophy of improving the education and opportunities for the young people of the Southampton region and the Isle of Wight. It will continue to develop and grow the academic success of the Isle of Wight Studio School and establish effective relationships with local education providers and businesses.

**INSPIRE ACADEMY TRUST
TRUSTEES' REPORT (Continued)**

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) are deemed to be reappointed to conduct audit services for the 2015/16 financial year.

Approved by order of the Trustees on 8 February 2016 and signed on their behalf by:



Hanif Brora
Chair

INSPIRE ACADEMY TRUST GOVERNANCE STATEMENT

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Inspire Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Inspire Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The board of trustees has formally met five times during the academic year. Attendance at those meetings up to 31 August 2015 was as follows:

Trustee	Meetings attended	Out of a possible
M. Le Bas	4	5
H. Brora	2	5
R. Blackwell	5	5
S. Leamore	1	3
A. Pitcher	1	1
B. Scott	4	5
S. Stannard	5	5

The Trust has a Finance and Audit Committee. Its purpose is to provide assurance to the Board on financial and other internal controls. Because of the current size of the Trust and the number of Trustees, all Trustees serve on the Finance and Audit Committee. As the Trust matures its Finance and Audit Committee may comprise different members.

The Local Governing Body of each School is also a Trust Committee. The Chair of each Local Governing Body is a Trust Director. Further information about school governors can be found on the website for each of the schools, or via contacting the clerk to the relevant school governing body.

Review of Value for Money

As accounting officer the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during

INSPIRE ACADEMY TRUST GOVERNANCE STATEMENT (Continued)

Review of Value for Money (continued)

the year by:

- raising student attainment – results for 2014/15 were above national average in English
- robust governance and oversight of the Academy Trust finances which led to proactive actions to improve the Southampton School including attempts to improve recruitment through a significant investment in the marketing campaign. When it was clear that recruitment could not be significantly improved, there was exploration into the changing of age range to 11 – 16 to match the educational environment in Southampton. However the business case was rejected by the EFA in Spring 2015. The Board therefore took the decision to close the school.
- ensuring the Trust demonstrates good value for money in procurement, and work is ongoing to test the cost of services against other providers in the marketplace to ensure prices remain competitive.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspire Academy Trust Limited for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and audit committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;

**INSPIRE ACADEMY TRUST
GOVERNANCE STATEMENT (Continued)**

The Risk and Control Framework (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function. Currently the Trust receives its financial and HR services from Southampton City College and has recently had an independent peer review of its' academic performance and progress. In light of the fact that the College has a comprehensive internal audit function which covers the key control areas affecting the Trust, the trustees have decided that currently no additional internal audit function is required at present, however this matter will be kept under regular review.

Review of Effectiveness

As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

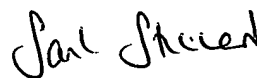
- the work of the finance manager;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the systems is in place.

Approved by order of the members of the board of trustees on 8 February 2016 and signed on its behalf by:



Hanif Brora
Chair



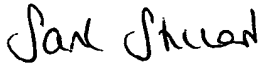
Sarah Stannard
Accounting Officer

**INSPIRE ACADEMY TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Inspire Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the EFA.



Sarah Stannard
Accounting Officer

8 February 2016

INSPIRE ACADEMY TRUST STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of Inspire Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 8 February 2016 and signed on its behalf by:


Hanif Brora
Chair

INSPIRE ACADEMY TRUST
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSPIRE ACADEMY
TRUST

We have audited the financial statements of Inspire Academy Trust for the year ended 31 August 2015 on pages 15 to 35. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INSPIRE ACADEMY TRUST
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSPIRE ACADEMY
TRUST CONTINUED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Mantel (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Highfield Court

Tollgate

Chandlers Ford

Eastleigh

Hampshire

SO53 3TY

Date: 11/2/16

INSPIRE ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Recognised Gains and Losses)
for the year ended 31 August 2015

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming resources						
<i>Income resources from generated funds:</i>						
- Voluntary income	2	-	59	-	59	1,624
- Activities for generating funds	3	5	-	-	5	-
- Investment income		-	-	-	-	-
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	4	-	1,299	969	2,268	3,059
Total incoming resources		5	1,358	969	2,332	4,683
Resources expended						
<i>Cost of generating funds:</i>						
- Cost of generating voluntary income		-	-	-	-	-
- Fundraising trading		-	-	-	-	-
<i>Charitable activities:</i>						
- Academy trust's educational operations	6	5	1,296	230	1,531	1,004
<i>Governance costs</i>	7	-	34	-	34	61
Total resources expended		5	1,330	230	1,565	1,066
Net (outgoing) / incoming resource before exceptional items		-	28	739	767	3,617
Exceptional items						
EFA pension exit income		-	127	-	127	-
Pension exit costs		-	(75)	-	(75)	-
Net (outgoing)/incoming resources before transfers		-	80	739	819	3,617
Gross transfer between funds	14	-	(17)	17	-	-
Net (expenditure)/income for the year		-	63	756	819	3,617
Other recognised gains and losses:						
Actuarial (losses)/gains on defined benefit pension scheme	23	-	10	-	10	(23)
Net movement in funds		-	73	756	829	3,594
Reconciliation of funds						
Total funds brought forward at 1 September 2014		-	(51)	4,144	4,093	499
Total funds carried forward at 31 August 2015		-	22	4,900	4,922	4,093

All of the academy's activities derive from continuing operations during the above two financial periods.

INSPIRE ACADEMY TRUST
BALANCE SHEET as at 31 August 2015

Company Number 07781921

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	11		4,900		4,144
Current assets					
Debtors	12	316		369	
Cash at bank and in hand		<u>411</u>		<u>219</u>	
		727		587	
Liabilities					
Creditors: amounts falling due within one year	13	<u>575</u>		<u>582</u>	
Net current assets			<u>152</u>		<u>5</u>
			5,052		4,149
Total assets less current liabilities					
Pension scheme liability	23		<u>130</u>		<u>56</u>
Net assets including pension liability			<u>4,922</u>		<u>4,093</u>
Funds of the academy trust:					
Restricted funds					
- Fixed asset fund	14	4,900		4,144	
- General fund	14	152		5	
- Pension reserve	14	<u>(130)</u>		<u>(56)</u>	
Total restricted funds			4,922		4,093
Unrestricted income funds					
- General fund	14				
Total unrestricted funds					
Total funds			<u>4,922</u>		<u>4,093</u>

The financial statements on pages 15 to 35 were approved by the trustees and authorised for issue on 8 February 2016 and are signed on their behalf by:


Hanif Brora
Chair

INSPIRE ACADEMY TRUST
CASH FLOW STATEMENT
for the year ended 31 August 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	18	210	108
Capital expenditure	19	(18)	-
Increase in cash in the year	20	<u>192</u>	<u>108</u>
Reconciliation of net cash flow to movement in net funds			
Net Funds at 1 September		219	111
Net Funds at 31 August		<u>411</u>	<u>219</u>

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees assess whether the use of going concern is appropriate ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. After making appropriate enquiries, the Trustees have a reasonable expectation that Inspire Academy Trust has adequate resources to continue in operational existence in the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

The financial statements recognise a debtor of £201k in relation to the closure costs for IEA Southampton including the settlement of the Local Government Pension Scheme in respect of the school that has been agreed to be paid by the Education Funding Agency.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Project Development Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

1. Statement of Accounting Policies (continued)

Resources Expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Long leasehold land -	125 years
Major building adaptations -	20 to 50 years
Fixtures, fittings and equipment -	5 or 10 years straight line
Computer equipment -	3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

1. Statement of Accounting Policies (continued)

Leased Assets

Rentals under operating leases are charged over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency and Department for Education.

Agency Arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administrative costs is not recognised in the statement of financial activities. Where funds have not been fully applied then an amount will be included as amounts due to the EFA.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

2. Voluntary income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Private Sponsorship	-	59	59	-
Other Donations	-	-	-	1,624
	-	59	59	1,624

3. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Other income	5	-	5	-
	5	-	5	-

4. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
DfE / EFA grants				
- General Annual Grant (GAG)	-	1,211	1,211	658
- Specific DfE/ EFA Grants	-	74	74	300
- Capital Grants	-	969	969	2,094
	-	2,254	2,254	3,053
Other Government grants				
Local authority grants	-	14	14	6
Total	-	2,268	2,268	3,059

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

5. Resources expended

	Staff costs £000	Non Pay Premises £000	Expenditure Other costs £000	Total 2015 £000	Total 2014 £000
Academy's education operations:					
- Direct costs	449	-	511	960	675
- Allocated support costs	396	139	36	571	330
	845	139	547	1,531	1,004
Governance costs including allocated support costs	-	-	34	34	61
	-	-	34	34	61
	845	139	581	1,565	1,066
				2015 £000	2014 £000
Incoming / (outgoing) resources for the year include:					
Fees payable to auditor					
-audit				16	16
-other service				-	-

6. Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Direct costs - educational operations:				
Teaching and educational support staff costs	-	449	449	390
Depreciation	-	141	141	35
Technology costs	-	2	2	23
Educational supplies	-	18	18	68
Examination fees	-	8	8	8
Staff development	-	8	8	13
Educational consultancy	-	-	-	-
Other direct costs	-	335	335	138
	-	961	961	675
Support costs - educational operations:				
Support staff costs	-	396	396	215
Depreciation	-	89	89	18
Technology costs	-	3	3	-
Recruitment and support	-	11	11	33
Maintenance of premises and equipment	-	3	3	-
Cleaning	-	17	17	3
Rent & rates	-	8	8	8
Energy costs	-	19	19	1
Insurance	-	4	4	7
Security and transport	-	1	1	-
Catering	-	2	2	8
Bank interest and charges	-	0	0	1
Other support costs	-	19	19	35
	-	570	570	330
Total direct and support costs	-	1,531	1,531	1,004

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

7. Governance Costs

	Total 2015 £000	Total 2014 £000
Legal and professional fees	18	45
Auditor's remuneration:		
- Audit of financial statements	16	16
- Other audit costs	-	-
Support staff costs	-	-
Trustees' reimbursed expenses	-	-
	<u>34</u>	<u>61</u>

8. Staff

a. Staff costs

	2015 £000	2014 £000
Staff costs during the period were:		
Wages and salaries	619	485
Social security costs	56	35
Pension costs (FRS17 charge 2015 £8,000 2014 £32,000)	81	72
	<u>756</u>	<u>592</u>
Supply staff costs	85	14
Staff restructuring costs	4	-
	<u>845</u>	<u>605</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents were as follows:

	2015 No.	2014 No.
Charitable activities		
Teachers	10	3
Administration and support	6	6
Management	2	1
	<u>18</u>	<u>10</u>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	-	-

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £18,330 (2014: £22,934). None of the employees participated in the Local Government Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £nil (2014: £nil). In addition, one seconded employee of Southampton City College participated in the Local Government Pension Scheme, pension contributions amounted to £644 (2014: £10,010)

No central services were provided to its' Academies during the period and no central charges arose.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

9. Related Party Transactions - Trustees' Remuneration and Expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, or expenses, from the academy in respect of their role as trustees.

During the year ended 31 August 2015, travel and subsistence expenses totalled £nil (2014: £nil) was reimbursed to 5 trustees (2014: 5 trustees).

Other related party transactions involving the trustees are set out in note 24.

10. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £3,750 (2014: £2,342). The cost of this insurance is included in the total insurance cost.

11. Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Assets in Construction £000	Total £000
Cost					
At 1 September 2014	2,662	68	121	1,346	4,197
Additions	678	110	199	-	987
Transfer	1,346	-	-	(1,346)	-
At 31 August 2015	4,686	178	320	-	5,184
Depreciation					
At 1 September 2014	18	9	27	-	54
Charged in year	89	28	113	-	230
Disposals	-	-	-	-	-
At 31 August 2015	107	37	140	-	284
Net book values					
At 31 August 2015	4,579	141	180	-	4,900
At 31 August 2014	2,644	59	94	1,346	4,144

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

12. Debtors

	2015	2014
	£000	£000
Trade debtors	8	2
VAT recoverable	4	280
Amounts due from funding body	201	-
Other debtors	80	-
Prepayments and accrued income	23	87
	<u>316</u>	<u>369</u>

13. Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	5	12
Taxation and social security	13	11
Owed to Southampton City College	13	107
Amounts owed to funding body	476	136
* Other creditors	30	252
Accruals and deferred income	38	64
	<u>575</u>	<u>582</u>

* included within other creditors is £10,625 (2014: £4,318) of bursary funds provided by the EFA

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

14. Funds

	Balance at 1 September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General Annual Grant (GAG)	(60)	1,084	(1,047)	-	(23)
Start up Grant	65		(17)	-	48
Other DfE/ EFA grants	-	74	(74)	-	-
Other grants	-	14	(14)	-	-
Other Income	-	59	(59)	-	-
Pension reserve	(56)	-	(9)	(65)	(130)
Pension funds due from EFA	-	127	(75)	75	127
	(51)	1,358	(1,295)	10	22
Restricted fixed asset funds					
DfE/EFA capital grants	2,051	969	(189)	-	2,831
Capital expenditure from own funds	-	17	-	-	17
Public sector capital sponsorship	2,093	-	(41)	-	2,052
	4,144	986	(230)	-	4,900
Total restricted funds	4,093	2,344	(1,525)	10	4,922
Unrestricted funds					
General funds	-	5	(5)	-	-
Total unrestricted funds	-	5	(5)	-	-
Total funds	4,093	2,349	(1,530)	10	4,922

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit of the GAG that it could carry forward at 31 August 2015.

Start Up Grant

Start Up Grant - Under the funding agreement with the Secretary of State, Inspire Academy Trust was not subject to a limit on the amount of Start Up Grant that it could carry forward at 31 August 2015.

Other DfE/ EFA Grant & Exceptional Items

Closure Grant - Inspire Academy Trust has accrued for a closure grant in respect of Inspire Enterprise Academy Southampton of £74,012 which has been agreed by the EFA. The EFA have also agreed to underwrite the pension deficit of £127,000 related to Southampton and a debtor has been provided accordingly.

Public sector capital sponsorship

This is the fund related to the transfer value of the building in respect of the Isle of Wight Studio School and NBV of Inspire Enterprise Academy Southampton.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

14. Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £000
Inspire Enterprise Academy (IEA) Southampton	94
Isle of Wight (IOW) Studio School	58
Total before fixed assets and pension reserve	152
Restricted fixed asset fund	4,900
Pension reserve	(130)
Total	4,922

IEA Southampton is carrying a net deficit of £33k before exceptional items due to residual costs following closure of the school in August 2015 for which additional funding of £127k will be paid by the EFA.

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
IEA Southampton	234	160	88	180	662
IOW Studio School	217	236	88	132	673
Academy Trust	451	396	176	312	1,335

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

15. Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2015 £000
Tangible fixed assets	-	-	4,900	4,900
Current assets	-	727	-	727
Current liabilities	-	(575)	-	(575)
Pension scheme liability	-	(130)	-	(130)
Total net assets	-	22	4,900	4,922

16. Capital commitments

	2015 £000	2014 £000
Contracted for, but not provided in the financial statements	-	910

17. Financial commitments

At 31 August 2015, the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Land and buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over 5 years	-	-
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over 5 years	-	-

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

18. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015	2014
	£000	£000
Net income	829	3,594
Depreciation	230	53
Capital grants from DfE	(969)	(3,718)
FRS 17 pension	74	56
(Increase)/decrease in debtors	53	(341)
(Decrease)/increase in creditors	(7)	463
Net Cash Inflow from Operating Activities	210	108

19. Capital Expenditure and Financial Investment

	2015	2014
	£000	£000
Purchase of tangible fixed assets	(987)	(3,718)
Capital grants from DfE / EFA	969	2,094
Capital funding received from sponsors and others	-	1,624
Net cash outflow from capital expenditure and financial investment	(18)	-

20. Analysis of changes in Net Funds

	At 1	Cash flows	At 31
	September	£000	August
	2014		2015
	£000		£000
Cash in hand and at bank	219	192	411
	219	192	411

21. Contingent Liabilities

There are no contingent liabilities at the balance sheet date.

22. Members' Liabilities

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

23. Pension and similar obligations

Introduction

The academy's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Hampshire Local Government Pension Scheme (LGPS) and Isle of Wight Local Government Pension Scheme (LGPS) for non-teaching staff, which are managed by Hampshire Pension Fund and Isle of Wight Pension Fund respectively. All pension schemes are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and the LGPS 31 March 2013.

Contributions amounting to £126,670 (2014: £86,206) were payable to the schemes at 31 August 2015.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulation 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA") using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

23. Pension and similar obligations (continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £89,595 (2014:£58,881)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

23. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £37,075 of which employer's contributions totalled £27,346 and employees' contributions totalled £9,729. The agreed contribution rate for future years are 14 per cent for employers and between 5.5 per cent and 12.5 per cent for employees dependent on salary.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

	Hampshire Fund		Isle of Wight Fund
	At 31 August 2015	At 31 August 2014	At 31 August 2015
Rate of increase in salaries	3.5%	3.6%	4.6%
Rate of increase for pensions in payment/ inflation	3.1%	3.1%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%	3.8%
Inflation assumption (CPI)	2.0%	2.1%	2.7%
Commutation of pensions to lump sums	70.0%	25.0%	63.0%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	Hampshire Fund		Isle of Wight Fund
	31 August 2015	31 August 2014	At 31 August 2015
<i>Retiring today</i>			
Males	24.5	24.4	22.4
Females	26.3	26.2	24.5
<i>Retiring in 20 years</i>			
Males	26.6	26.5	23.8
Females	28.6	28.5	26.7

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

23. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

	Isle of Wight Fund		Hampshire Fund			
	Expected	Fair value at	Expected	Fair value at	Expected	Fair value at
	return at 31	31 August	return at 31	31 August	return at 31	31 August
	August 2015	2015	August 2015	2015	August 2014	2014
		£000		£000		£000
Equities	3.8%	12	n/a	49	7.5%	38
Government Bonds	3.8%	-	n/a	22	2.9%	15
Corporate Bonds	3.8%	5	n/a	1	3.3%	1
Property	3.8%	1	n/a	7	6.8%	5
Cash	3.8%	-	n/a	3	1.1%	2
Other	3.8%	-	n/a	3	7.5%	2
Total market value of assets		18		85		64
Present value of scheme liabilities						
- Funded		(21)		(137)		(120)
- Pension exit costs		-		(75)		-
Deficit in the scheme		(3)		(127)		(56)

Pension exit

The actual return on scheme assets for the Hampshire Fund was £20,000 (2014: £40,000), and for the Isle of Wight Fund was £nil (2014: £nil)

Amounts recognised in the statement of financial activities

	2015	2014
	£000	£000
Current service cost (net of employee contributions)	35	21
Past service cost	-	31
Total operating charge	35	52
Analysis of pension finance costs		
Expected return on pension scheme assets	4	(3)
Interest on pension liabilities	(5)	4
Pension finance costs	(1)	1

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

23. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since adoption of FRS 17 is a £10,000 gain (2014: £23,000 loss)

Movement in the present value of defined benefit obligations were as follows:

	Hampshire	IOW	2015 £000	2014 £000
At 1 September	120	-	120	-
Past service cost	-	-	-	63
Current service cost	18	17	35	21
Interest cost	5	-	5	4
Employee contributions	6	4	10	8
Actuarial (gain) / loss	(12)	-	(12)	24
At 31 August	137	21	158	120

Movements in the fair value of academy's share of scheme assets:

	Hampshire	IOW	2015 £000	2014 £000
At 1 September	64	-	64	-
Benefits paid	-	-	-	32
Expected return on assets	4	-	4	3
Actuarial gain / (loss)	(2)	-	(2)	1
Employer contributions	13	14	27	20
Employee contributions	6	4	10	8
	85	18	103	64

The estimated value of employer contributions for the year ended 31 August 2016 is £17,000.

INSPIRE ACADEMY TRUST
Notes to the Financial Statements
for the year ended 31 August 2015

23. Pension and Similar obligations (continued)

Local Government Pension Scheme (continued)

The two year history of experience adjustments is as follows:

	2015	2014
	£000	£000
Present value of defined benefit obligations	(158)	(120)
Fair value of share of scheme assets	103	64
Pension exit valuation	(75)	-
Deficit in the scheme	<u>(130)</u>	<u>(56)</u>
Experience adjustments on share of scheme assets		
Amount £	1	1
Experience adjustments on scheme liabilities:		
Amount £	-	-

24. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. During the year the Trust paid £30,000 to City College for support services (including Finance, HR, Payroll, IT, Estate Mgmt and Procurement support). The College made a donation of £59,000 towards a marketing campaign for IEA Southampton which was settled during the year. At the balance sheet date, Inspire Academy Trust owed Southampton City College £12,631 (2014: £107,443) in respect of fees and charges incurred on it's behalf.

25. Events after the balance sheet date

The Inspire Enterprise Academy Southampton closed on 31st August 2015. The Trust has negotiated with the EFA over settlement of the costs relating to the closure and additional funding of £201,012 has been agreed and is recognised in the financial statements.

26. Agency Arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16 - 19 Bursary Funds, on behalf of the EFA. In the year it received £6,307 and disbursed £nil. Therefore an amount of £10,625 is repayable by the Academy Trust at the 31 August 2015 and this amount is included in other creditors. (2014: £4,318)