

Registered number: 08179349 (England & Wales)



INSPIRATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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INSPIRATION TRUST
(A company limited by guarantee)

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INSPIRATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Sir T Agnew
Mr D Tibble
Mrs C Agnew

Trustees

Sir T Agnew, Chairman
Mr D Tibble
Dame R de Souza
Mr J Hanson-Smith
Mr J Hodgson
Mrs M Hollingsworth
Mr S Berwick

Company registered number

08179349

Company name

Inspiration Trust

Principal and registered office

Weights and Measures Building, 28 Bethel Street, Norwich, Norfolk, NR2 1NR

Chief Executive Officer

Dame R de Souza

Senior management team

Dame R de Souza, Chief Executive Officer
Mrs C Counsell, Director of Education
Mr A Ball, Director of Schools
Mrs W Cousins, Director of Human Resources
Mr J Ruddock, Chief Financial Officer

In addition to the above, the Principals of each school within the Trust are part of the senior management team.

Independent auditors

MA Partners LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

INSPIRATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates five Primary schools, seven Secondary schools and one Sixth Form in Norfolk and Suffolk. It is committed to delivering the very best educational experience for the young people of East Anglia. The Trust is ambitious for its schools and communities and wants to create Britain's highest performing family of 3-19 schools.

Structure, governance and management

a. CONSTITUTION

The Trust is a company limited by guarantee, with no share capital, and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Inspiration Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Inspiration Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or duty or which was committed with reckless disregard to whether it was a breach of trust or duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Trust.

In accordance with normal practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10m on any claim.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

INSPIRATION TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Training and induction provided for new Trustees is assessed based on their existing experience.

Where necessary induction includes training on educational, legal and financial matters. All new Trustees are encouraged to visit the various schools, and have the chance to meet with Principals, staff and students, and are provided with key documents such as the Articles of Association, policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Trustee.

f. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Arrangements for setting the pay and remuneration of the Trust's key management personnel are approved by the Trust Board. The Trust's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The Trust adheres to Local Government pay arrangements for support staff and follows the Local Government pay spine.

g. ORGANISATIONAL STRUCTURE

The Trust has arranged its business in such a way that responsibilities and lines of accountability are clearly identified. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the operation and management of the Trust, including making senior staff appointments.

Local Governing Bodies (LGB) have been established for each school or federation of schools. As committees of the Trust Board, LGBs have delegated responsibility for key aspects of the running of schools although the Trust Board retains formal accountability for their operation and the strategic management and policies of the Trust as a whole. A dedicated Audit and Risk Committee of the Trust Board has been constituted to scrutinise risk management and governance. The Trust Board, the Governing Bodies and any associated sub committees each meet at least once a term.

The day to day management of the Trust is the responsibility of the Chief Executive Officer. The day to day running of the individual academies is delegated by each local governing body to the Principal.

During 2015-16, the Trust Board met 6 times.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Owing to the nature of the Trust's operations and its close working relationships with local public and private sector organisations, transactions may take place with organisations in which a Trustee 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. Sir Theodore Agnew, the Sponsor of the Trust is also a Trustee. Sir Theodore Agnew, through his personal funds and associated organisations donated £50k to the Trust during the year. Further details of related party transactions are set out in Note 30.

Friends of Hethersett Academy and Friends of Cromer Academy Trust are registered charities which fundraise for the respective schools.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Objectives and Activities

a. PRINCIPAL ACTIVITY

The principal activity of the Trust is to advance for the public benefit the quality of education in Norfolk and Suffolk, by establishing, maintaining and developing schools to provide broad, balanced and challenging curricula and learning environments.

b. AIMS AND OBJECTIVES OF THE TRUST

The Inspiration Trust objectives are set out in the Articles of Association. In summary it is to improve the level of education provision in Norfolk and Suffolk whether directly through our own Academies or indirectly through working with other education providers in the region.

In accordance with the Articles of Association the Trust has adopted a Master Funding Agreement (MFA) approved by the Secretary of State for Education, as restated in the agreement dated 31 August 2013. The MFA, together with Supplemental Funding Agreements relating to each academy, stipulates the obligations of the Trust in running academies under its control and how we are regulated and overseen by the Department for Education.

Our Trust aims to deliver an exceptionally high standard of education for the children of East Anglia. Our schools have one mission: to give our children the very best possible start in life, regardless of background, so that students can succeed at the best universities and in their workplace and community.

We deliver this through:

- A knowledge-based curriculum, structured by traditional subjects, properly sequenced to ensure systematic, thorough teaching for all
- Rich cultural pursuits as essential activities, championing access and involvement in arts and sport
- A robust collegial approach that promotes sustained improvement across all areas of the Trust

The principal objective and activity of the Trust in the period under review was the operation and further improvement of our existing schools. In addition, we saw the conversion of the Hewett School in Norwich to an academy, becoming The Hewett Academy, Norwich and joining the Trust in September 2015.

We accelerated our work to open two new free schools: Charles Darwin Primary in Norwich, and Trafalgar College in Great Yarmouth, working with the Education Funding Agency to agree and prepare sites in preparation for their successful opening in September 2016.

We began preparations for the opening of a National Teaching School following the award of an Outstanding rating to Hethersett Academy, including the appointment of Christine Counsell as the Trust's first Director of Education. These developments will give us additional capacity for our school improvement work, further driving up standards within our schools.

The Trust also continued to identify opportunities to work across our schools, consolidating finance, human resources, procurement, and other operational functions across all our schools. These were restructured to increase efficiency.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Specific priorities for the year ahead include:

- Ongoing improvement in educational standards at all of our schools, with a particular focus on a knowledge based curriculum.
- The successful establishment of Charles Darwin Primary and Trafalgar College from September 2016, and further integration and improvement at The Hewett Academy, Norwich.
- The establishment of the National Teaching School and related improvements in training, professional development, and school and curriculum improvement.
- Assisting the development of academies in the region, both through advice and support and where appropriate considering the sponsorship of additional academies that offer a good fit with the Trust's aims and existing schools.

c. PUBLIC BENEFIT

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year. The Trustees consider that the charitable company's aims are demonstrably to the public benefit.

d. EQUAL OPPORTUNITIES

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust has established equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

e. EMPLOYEE INVOLVEMENT

The Trustees encourage staff contributions at all levels and close collaboration between the academies. Principals also meet regularly to share knowledge and best practice. The Trust intranet provides information and access to internal and external professional development and support. Academies hold regular meetings and briefings. New staff are fully inducted and teachers take part in training before the start of and during the school year.

f. DISABLED PERSONS

The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the academies, as well as generally through training and career development.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. REVIEW OF ACTIVITIES

The Trust welcomed The Hewett Academy, Norwich to our family of schools in September 2015. This was a rapid process, following the final decision of the Secretary of State to convert the school in August 2015.

Hethersett Academy became the first Inspiration Trust school to be awarded an Outstanding grade by Ofsted. The inspection report recognised the exceptionally strong teaching and learning at the school, together with its diverse range of extracurricular activities provided through the Trust's extended day model. The academy was subsequently awarded National Teaching School status, commencing in September 2016, and its principal Gareth Stevens has been named a National Leader of Education.

Sam Berwick, a Trustee and chair of governors at Thetford Academy, was named a National Leader of Governance.

East Point Academy went from special measures to good with outstanding leadership within 20 months of joining the Trust. Jane Austen College also achieved Ofsted Outstanding in four out of the five categories on their first inspection.

In public examinations, Inspiration Trust schools recorded the best mainstream GCSE and A Level results in Norfolk for the second year running, with only private and boarding schools reporting higher grades. Hethersett Academy achieved 86% A*-C in English and Maths at GCSE, and Jane Austen College achieved a 91% A*-C pass rate at A Level for its first ever sixth form cohort.

Individual schools also demonstrated significant improvement, with Cromer Academy recording its highest ever GCSE results and coming in the top ten in Norfolk for the new Progress 8 measure. At East Point Academy in Lowestoft, students also posted the school's best ever results, placing them in top third of schools nationally for progress.

At primary, the new Key Stage 2 tests saw a more challenging curriculum and examination, but despite this both Great Yarmouth Primary Academy and Stradbroke Primary Academy recorded their highest ever results.

Significant effort targeting student recruitment to Sir Isaac Newton Sixth Form, together with a second year of strong results, resulted in substantially increased student numbers. We will continue to support the growth and development of the sixth form, which plays an important role in driving science, engineering, maths, and technology provision, both within the Trust and more widely as joint lead in the Norfolk and Suffolk Maths Hub.

We have improved school facilities and buildings, helping to provide better learning environments. This includes a new library at Norwich Primary Academy, improved ICT at Cromer Academy, and significant investments in classrooms and public areas at The Hewett Academy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. KEY PERFORMANCE INDICATORS

Financial KPIs

The Trust uses the following key performance indicators for financial elements of school organisation:

	AY 15/16	AY 14/15	AY 13/14
Staff costs as % of income	69.1%	68.6%	71.0%
Funding reserves (general and unrestricted) (£k)	3,628	3,838	1,242
Cash (£k)	4,723	5,065	2,315
Current ratio	2.02	2.31	1.25

Education performance and achievement

Notable school specific improvements include:

- Thetford Academy: Previously rated as Ofsted Inadequate, now rated as Good with Outstanding Leadership.
- Norwich Primary Academy: Previously rated as Ofsted Inadequate, now rated as Good.
- Hethersett Academy: Previously rated as Ofsted Inadequate now rated as Outstanding. It is also the highest performing mainstream school in the county.
- East Point Academy: Previously rated as Ofsted Inadequate, now rated as Good with Outstanding Leadership.

c. GOING CONCERN

After making appropriate enquiries, the Trust Board has a reasonable expectation that the 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 Accounting Policies.

INSPIRATION TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

The vast majority of the Trust's income comes from the Education Funding Agency (EFA), in the form of recurrent grants for particular purposes. These grants and the associated expenditure are shown as restricted funds in the consolidated statement of financial activities.

The Trust also receives grants for fixed assets from the Department for Education for capital expenditure and buildings works associated with the new free schools. In accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and the Academies Accounts Direction 2015 to 2016, these grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure (excluding depreciation) of £33,942k (2015: £26,064k) was more than covered by grant funding from the EFA and other income. The excess of income over expenditure across the Trust for the period (excluding restricted fixed asset funds, pension reserve and before transfers) was £1,814k (2015: £3,679k).

At 31 August 2016, the net book value of fixed assets was £88,924k (2015: £47,305k). These assets were used exclusively for providing education to the Trust's pupils and related support services

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational issues.

The Trustees review risk management arrangements that include a Risk Management Strategy and a strategic risk register. During the year, the strategic risk register was reviewed and updated by the Audit and Risk Committee.

The strategic risk register seeks to identify in relation to each of its schools the likelihood of an event occurring, its impact, and mitigating actions that might be utilised to reduce or dissipate the risk where appropriate. Risks are considered under educational, financial, health and safety, and reputational headings.

The Trustees acknowledge that they have overall responsibility for ensuring that the Trust has an effective, sound and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust which enables us to ensure the financial statements comply with the Companies Act. The Trustees also acknowledge responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities while complying with relevant laws and regulations.

INSPIRATION TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties, monitoring of controls, training of staff and a system of delegation and accountability.

The purpose of the Trust's Finance Manual is to provide instruction and guidance to Trustees, chairs of local governing bodies, academy Principals and the central support staff; and ensure that each academy within the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.

RSM Risk Assurance Services LLP as an independent internal audit function provides further assurance to the Trustees. RSM Risk Assurance Services LLP carries out internal audit assignments, performing a range of checks on the Trust's systems.

b. RESERVES POLICY

The Trust held fund balances at 31 August 2016 of £83,465k (2015: £47,335k) comprising £81,550k (2015: £46,037k) of restricted funds including a pension reserve deficit of £9,269k (2015: £3,913k) and £1,915k (2015: £1,299k) of unrestricted general funds.

Any surplus at the Trust level is held over for investment and other initiatives to improve provision and teaching and learning at the Trust's academies.

It is Trust policy that, in normal circumstances, each individual Academy aims to have an on going surplus of funds representing between 3% and 5% of GAG income at each year end, so that in extremis any emergency expenditure can be met from the corresponding Academy's Reserves without calling on the Trust or other Academies within the Trust.

As a part of its monitoring of financial performance the Trust Board reviews the forecast impact on Reserves and the implications for future years' spending.

Under FRS 102 it is necessary to account for projected pension liabilities on the Local Government Pension Scheme (LGPS) to a specific restricted reserve, reflecting the long term liability on the balance sheet. This reserve is discounted when applying the surplus requirements described above, as these are long term liabilities, which do not represent a liquidity problem for the Academy or Trust (see Note 27).

c. INVESTMENT POLICY

The Trust's investment policy is to invest surplus cash reserves on deposit with banks with a high credit rating where the capital invested is guaranteed. Investment returns are reviewed during the year to ensure that returns are maximised whilst safeguarding the funds invested.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks have been identified as:

Reputational – the continued success of attracting sufficient numbers of students to the academies by maintaining and improving educational standards and maintaining the Trust's purpose and offering.

Government funding – the Trust has considerable reliance on the continued government funding through the EFA/DfE and there is no assurance that government policy or practice will remain the same and funding will remain at the same levels or on the same basis.

Staffing – the ability to retain, recruit and train quality staff and managers by ensuring continual personal development and clear succession planning.

Safety, safeguarding and regulations – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Buildings and Facilities – ensuring the estate under the control of the Trust remains safe, secure and compliant.

Pension Liability – the financial statements report the increase in pension scheme deficit under the requirements of FRS 102. This may fluctuate over time based on economic and Local Authority investment policy. This is a long term liability where it is hoped that it will reduce in future by employer contributions and additional lump sum payments.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust will focus on continuing to supporting the turnaround of The Hewett Academy, and consolidating the good early foundations of our free schools in Great Yarmouth and Norwich. We will work actively with the Education Funding Agency to ensure delivery of facilities as these schools continue to grow.

We will fully establish our teaching school and teacher training programmes. The Trust will make significant investment in building intellectual capacity for school improvement and curriculum development.

We will continue to evolve our Trust model to ensure that schools are supported both as individual institutions and as part of a wider family, and that administrative functions are delivered as effectively and efficiently as possible. We will further promote the sharing of best practice to ensure best value in the use of public funds.

We will continue to invest prudently in the buildings and fabrics of our schools.

FUNDS HELD AS CUSTODIAN

The Trust does not act as the Custodian Trustee of any other charity.

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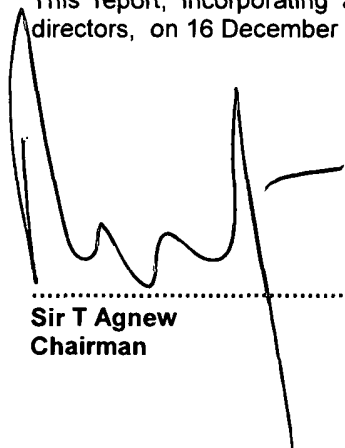
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating a strategic report, was approved by order of the Trust Board as the company directors, on 16 December 2016 and signed on its behalf by:



.....

Sir T Agnew
Chairman

INSPIRATION TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Inspiration 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 Trust Board has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Inspiration Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board has formally met 6 times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Trustee	Meetings attended	Out of a possible
Sir T Agnew, Chairman	6	6
Mr D Tibble	6	6
Dame R de Souza	6	6
Mr J Hanson-Smith	4	6
Mr J Hodgson	3	6
Mrs M Hollingsworth	4	6
Mr S Berwick	6	6

The Trustees have overseen all financial planning, budgeting and longer term forecasting to ensure all elements of the Trust are soundly managed. Liquidity, affordability and sustainability are key focus areas of the Trust Board with particular attention paid to longer term investment and development of each of the sites.

The Trustees have discharged their responsibilities in this regard by consideration of; (i) detailed regular financial reports prepared by senior Trust staff to the Trust Board; (ii) feedback from the Governing Bodies; and (iii) feedback from ad hoc finance working parties convened to consider specific issues.

Governance reviews

A full review of Governance was conducted in September 2016. Specific recommendations for the Trust Board included i) Consideration of training for performance management and safer recruitment for all Trustees ii) Considering whether the current meeting structure is effective iii) Considering identifying additional members for the A&R Committee iv) Considering undertaking a formal skills audit for all Trustees. v) Reviewing the policy suite for reporting requirements vi) Reviewing the composition of and feedback from each LGB prior to confirmation of membership and terms of reference in each LGB before the new academic year vii) Completion of self-evaluation questionnaires for Trust Directors during 2016/17.

The proposed key changes to the governance structure for 2016/17 were (i) The creation of a finance committee, reporting to the Trust Board and to maintain the current Audit and Risk Committee the membership of which is separate from the Finance Committee (ii) Consider the need for a separate Curriculum and Standards Committee iii) Set up Parent Advisory Bodies to feed into the LGB's. The Parent Advisory bodies will consider and advise in relation to community/home-school issues such as: uniform, homework, graffiti etc iv) Continue to present to the Board for review all core policies.

An internal audit of Governance was conducted in April 2016 by RSM Risk Assurance Services LLP with no significant deficiencies identified.

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GOVERNANCE STATEMENT (continued)

The next review of Governance will take place in September 2017.

The Audit and Risk Committee (A&R) is a committee of the Trust Board and is constituted to provide a broad and effective scrutiny of risk management and governance within the Trust.

During the period under review, the A&R Committee met four times. During the year Mr J Longfield, an expert in risk, joined the committee while Sir T Agnew resigned.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr J Hanson-Smith	3	4
Mr M Gibbins	4	4
Mr J Longfield	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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 Trust Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Outcomes

Outcomes across the Trust have been excellent considering the new sets of accountability measures at KS2 and KS4. Collaboration between leadership has been the key driving force and paramount in establishing effective working practices and having significant impact upon school outcomes. Principals continue to meet regularly to discuss strategic approach and additional leadership teams have continued the practice.

Curriculum

Cross trust network groups, which were set up in previous years continue to take place; these groups support collaborative practice and also continue to address emerging policies and changes brought from national developments (such as GCSE changes and KS2 changes) The main groups are Curriculum and Assessment, Teaching and Learning, English, and Mathematics.

In particular, the Curriculum and Assessment Group has worked on beginning the development of a knowledge based curriculum, an initiative that will benefit and support all our schools, across all phases.

The groups have enabled school improvement work to take place, through a collegiate approach and also provided access to high quality CPD and the sharing of best practice. As all Trust schools are represented at the groups, this allows for the knowledge and experience gained by staff to then be disseminated at individual school level.

The continuing development of the Trust KS1, KS2 and KS3 assessment system has facilitated a Trust wide approach to data tracking and the monitoring of student outcomes. Led centrally, but implemented and acted upon in individual schools, this strategy has had a clear, positive impact on improving student outcomes in terms of attainment and progress.

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GOVERNANCE STATEMENT (continued)

Ensuring Financial Effectiveness

The Trust has continued to deliver savings across all of our schools through focusing on synergies and obtaining Trust wide contracts where possible. All major contracts have been renegotiated during the year and a three year rolling procurement plan completed.

The Trust's system of financial governance includes strong oversight by the Trustees and Accounting Officer. Governors support, advise and challenge decision makers within the Trust on the cost and effectiveness of spending proposals in order to achieve value for money.

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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Inspiration Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trust Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

THE RISK AND CONTROL FRAMEWORK

The 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 Trust Board;
- regular reviews by the Trust Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trust Board has considered the need for a specific internal audit function and has decided to appoint RSM Risk Assurance Services LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

In particular the checks carried out in the current period included:

- Governance
- Estates Strategy and Management
- Fixed Assets
- Safeguarding
- Key Financial Controls

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GOVERNANCE STATEMENT (continued)

The Trust has developed a three year internal audit plan and has scheduled in internal audit reviews on the following for 2016/17, ICT Health Check, Recruitment & Training, Income, Cash and Debtors, Order, Receipts and Payments, Procurement and VFM, Risk Management, and Payroll and Expenses.

On a periodic basis, the internal auditor will report to the A&R Committee on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities.

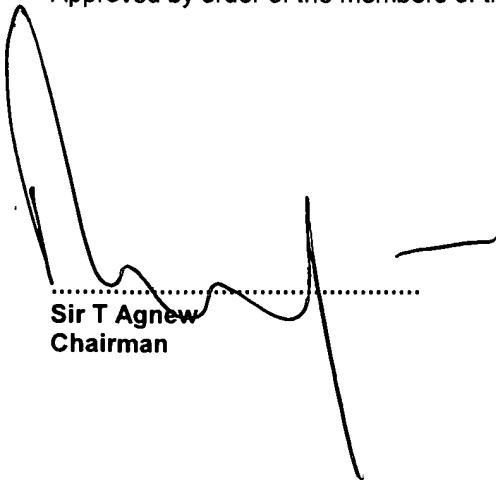
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer 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 internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

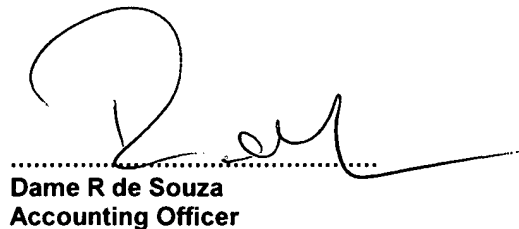
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the A&R Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 16 December 2016 and signed on their behalf, by:



.....

Sir T Agnew
Chairman



.....

Dame R de Souza
Accounting Officer

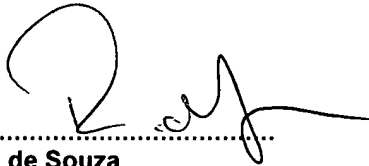
INSPIRATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Inspiration Trust I have considered my responsibility to notify the 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



.....
Dame R de Souza
Accounting Officer

Date: 16 December 2016

INSPIRATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Inspiration Trust 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 issued 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the 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 Trust Board on 16 December 2016 and signed on its behalf by:



.....
Sir T Agnew
Chairman

INSPIRATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSPIRATION TRUST**

We have audited the financial statements of Inspiration Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable Trust 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

INSPIRATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSPIRATION TRUST**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

- adequate accounting records have not been kept, 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.



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners LLP

Chartered Accountants and Statutory Auditors

7 The Close
Norwich
Norfolk
NR1 4DJ
16 December 2016

INSPIRATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO INSPIRATION TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspiration Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Inspiration Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inspiration Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inspiration Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF INSPIRATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The Accounting Officer is responsible, under the requirements of Inspiration Trust's funding agreement with the Secretary of State for Education dated 30 August 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

INSPIRATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO INSPIRATION TRUST AND THE EDUCATION FUNDING AGENCY (continued)

Our work included:

- a review of minutes of committees and board meetings which may be relevant to regularity;
- a review of the work performed by the internal auditor;
- a review of the design and operational effectiveness of policies and procedures relating to areas assessed as presenting a higher risk of impropriety;
- substantive testing of individual transactions.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MA Partners LLP

Chartered Accountants and Statutory Auditors

7 The Close
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NR1 4DJ

16 December 2016

INSPIRATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO INSPIRATION TRUST AND THE EDUCATION FUNDING AGENCY (continued)

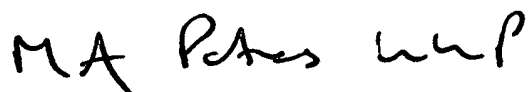
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- a review of the work performed by the internal auditor;
- a review of the design and operational effectiveness of policies and procedures relating to areas assessed as presenting a higher risk of impropriety;
- substantive testing of individual transactions.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MA Partners LLP

Chartered Accountants and Statutory Auditors

7 The Close
Norwich
Norfolk
NR1 4DJ

16 December 2016

INSPIRATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Donations - transfer from local authority on conversion	2	-	(662,000)	10,140,000	9,478,000	2,706,626
Other donations and capital grants	2	15,170	50,000	33,564,984	33,630,154	12,700,371
Charitable activities	3	468,406	33,276,025	-	33,744,431	26,849,248
Other trading activities	4	486,075	67,958	-	554,033	337,752
Investments	5	21,531	-	-	21,531	8,562
TOTAL INCOME		991,182	32,731,983	43,704,984	77,428,149	42,602,559
EXPENDITURE ON:						
Charitable activities		1,858,899	32,083,156	2,945,240	36,887,295	27,883,738
TOTAL EXPENDITURE	8	1,858,899	32,083,156	2,945,240	36,887,295	27,883,738
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	21	(867,717) 1,483,800	648,827 (2,419,951)	40,759,744 936,151	40,540,854 -	14,718,821 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		616,083	(1,771,124)	41,695,895	40,540,854	14,718,821
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(4,411,000)	-	(4,411,000)	227,750
NET MOVEMENT IN FUNDS		616,083	(6,182,124)	41,695,895	36,129,854	14,946,571
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,298,531	(1,373,202)	47,410,108	47,335,437	32,388,866
TOTAL FUNDS CARRIED FORWARD		1,914,614	(7,555,326)	89,106,003	83,465,291	47,335,437

INSPIRATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08179349

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	17		88,924,130		47,305,496
CURRENT ASSETS					
Debtors	18	2,939,390		2,035,924	
Cash at bank and in hand		4,722,868		5,065,694	
		<u>7,662,258</u>		<u>7,101,618</u>	
CREDITORS: amounts falling due within one year	19	<u>(3,797,582)</u>		<u>(3,080,750)</u>	
NET CURRENT ASSETS			3,864,676		4,020,868
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>92,788,806</u>		<u>51,326,364</u>
CREDITORS: amounts falling due after more than one year	20		<u>(54,515)</u>		<u>(77,927)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			92,734,291		51,248,437
Defined benefit pension scheme liability	27		<u>(9,269,000)</u>		<u>(3,913,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>83,465,291</u>		<u>47,335,437</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	21	1,713,674		2,539,798	
Restricted fixed asset funds	21	<u>89,106,003</u>		<u>47,410,108</u>	
Restricted income funds excluding pension liability		<u>90,819,677</u>		<u>49,949,906</u>	
Pension reserve		<u>(9,269,000)</u>		<u>(3,913,000)</u>	
Total restricted income funds			81,550,677		46,036,906
Unrestricted income funds	21		<u>1,914,614</u>		<u>1,298,531</u>
TOTAL FUNDS			<u>83,465,291</u>		<u>47,335,437</u>

INSPIRATION TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2016 and are signed on their behalf, by:



.....
Sir T Agnew
Chairman

The notes on pages 26 to 55 form part of these financial statements.

INSPIRATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	23	517,948	1,288,277
Cash flows from investing activities:			
Dividends, interest and rents from investments		21,531	6,584
Proceeds from the sale of tangible fixed assets		3,665	340
Purchase of tangible fixed assets		(1,262,873)	(4,473,904)
Capital grants from DfE/EFA		400,315	4,263,641
Cash transferred from other Trusts		-	1,290,310
Cash transferred on conversion to an academy trust		-	345,626
Net cash (used in)/provided by investing activities		(837,362)	1,432,597
Cash flows from financing activities:			
Repayments of borrowings		(23,412)	(25,643)
Loan transferred from other Trust		-	55,764
Net cash (used in)/provided by financing activities		(23,412)	30,121
Change in cash and cash equivalents in the year		(342,826)	2,750,995
Cash and cash equivalents brought forward		5,065,694	2,314,699
Cash and cash equivalents carried forward	24	4,722,868	5,065,694

INSPIRATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Inspiration Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Inspiration Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Inspiration Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 32.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 and include grants from the Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

INSPIRATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 provided to the Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

INSPIRATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	over the term of the lease
Freehold buildings	-	2% straight line
Long term leasehold buildings	-	2-4% straight line
Short term leasehold buildings	-	over the term of the lease
Motor vehicles	-	25% straight line
Furniture and equipment	-	10-20% straight line
Computer equipment	-	33% straight line

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

INSPIRATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Taxation

The 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 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.

1.12 Pensions

Retirement benefits to employees of the 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 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 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 quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

INSPIRATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from The Hewett School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

INSPIRATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations - transfer from local authority on conversion	-	(662,000)	10,140,000	9,478,000	2,706,626
Donations	15,170	50,000	33,164,669	33,229,839	163,372
Capital Grants	-	-	400,315	400,315	4,039,229
Assets transferred from other Trusts	-	-	-	-	8,497,770
Subtotal	15,170	50,000	33,564,984	33,630,154	12,700,371
Total donations and capital grants	15,170	(612,000)	43,704,984	43,108,154	15,406,997

In 2015, of the total income from donations and capital grants, £347,797 was to unrestricted funds and £15,059,200 was to restricted funds

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	27,477,662	27,477,662	22,082,053
Pupil Premium	-	1,975,488	1,975,488	1,664,973
Insurance rebate	-	84,516	84,516	5,588
Project Development grants	-	180,000	180,000	270,000
School Improvement grants	-	-	-	115,000
Other EFA grants	-	47,375	47,375	90,675
Academy Conversion grants	-	80,000	80,000	200,000
Maths Hub	-	182,000	182,000	113,000
School Condition Allocation	-	1,882,074	1,882,074	909,400
Free School Meals	-	118,427	118,427	92,164
PE grants	-	36,910	36,910	26,537
16-19 Bursary grants	-	57,914	57,914	52,853
Start Up grants	-	354,072	354,072	304,236
	-	32,476,438	32,476,438	25,926,479
Other government grants				
Nursery funding	-	77,108	77,108	102,705
Cluster funding	-	293,682	293,682	261,793
Other LA funding	-	228,938	228,938	160,513
	-	599,728	599,728	525,011
Other income from the academy trust's educational operations				
Other grants	-	196,950	196,950	59,184
Educational visits	361,652	-	361,652	172,362
Catering	106,754	2,909	109,663	166,212
	468,406	199,859	668,265	397,758
	468,406	33,276,025	33,744,431	26,849,248

In 2015, of the total income from charitable activities, £338,574 was to unrestricted funds and £26,510,674 was to restricted funds.

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	313,372	-	313,372	170,879
Catering - adult meals	4,363	-	4,363	25,091
Uniform sales	34,421	-	34,421	35,309
Income from provision of supply staff	-	66,278	66,278	-
Miscellaneous income	133,919	1,680	135,599	106,473
	<u>486,075</u>	<u>67,958</u>	<u>554,033</u>	<u>337,752</u>

In 2015, of the total income from other trading activities, £334,775 was to unrestricted funds and £2,977 was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	21,531	-	21,531	8,562

In 2015, of the total investment income, £8,562 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Total 2016 £	Total 2015 £
Educational supplies	565,518	479,223
Examination fees	418,382	319,237
Staff development	281,185	202,944
Educational consultancy	615,471	329,576
Agency supply staff	922,801	845,929
Educational visits and visitors	462,786	178,241
Educational support services	462,412	190,947
Extended schools costs	258,547	235,988
Wages and salaries	16,322,510	13,081,507
National insurance	1,366,385	978,966
Pension cost	2,499,530	1,790,578
	<u>24,175,527</u>	<u>18,633,136</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension interest	177,000	130,500
Technology costs	702,746	459,391
Recruitment and support	223,996	115,627
Maintenance of property and equipment	1,549,282	647,206
Cleaning	577,045	379,327
Rent and rates	250,193	258,227
Energy and water costs	658,348	615,162
Insurance	168,984	148,236
Security and transport	180,455	171,747
Catering	550,970	577,314
Bank interest and charges	6,212	6,593
Staff travel and subsistence	89,816	41,887
Uniform costs	102,630	84,358
Research, marketing and rebranding	130,705	105,838
Bursary payments	54,834	26,228
Other support costs	633,561	447,996
Bad debt write off	576	-
Fees payable to auditor - audit	19,650	19,500
Fees payable to auditor - other services	9,974	22,856
Legal and professional	23,127	125,070
Loss / (profit) on disposals	2,101	(340)
Agency supply staff	56,322	89,762
Wages and salaries	2,800,277	2,260,774
National insurance	184,014	128,951
Pension cost	615,811	647,923
Depreciation	2,943,139	1,740,469
	<u>12,711,768</u>	<u>9,250,602</u>

During the year ended 31 August 2016, the Trust incurred Governance costs totalling **£52,751** (2015: **£167,426**).

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Activities:					
Direct costs	20,188,425	-	3,987,102	24,175,527	18,633,136
Support costs	3,600,102	4,853,451	4,258,215	12,711,768	9,250,602
	<u>23,788,527</u>	<u>4,853,451</u>	<u>8,245,317</u>	<u>36,887,295</u>	<u>27,883,738</u>

In 2016, of the total expenditure, **£1,858,899** (2015 - **£1,501,266**) was to unrestricted funds and **£35,028,396** (2015 - **£26,382,472**) was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the Trust	1,522	-	Not applicable
Unrecoverable debts	576	-	Not applicable
Fixed asset losses	2,101	-	Not applicable
Cash losses	122	-	Not applicable

10. NET INCOME / EXPENDITURE BEFORE TRANSFERS

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased	2,943,140	1,740,469
Operating lease rentals	159,673	149,025
	<u> </u>	<u> </u>

11. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	19,650	19,500
Fees payable to the Trust's auditor and its associates in respect of:		
Audit-related assurance services	4,509	11,750
Taxation compliance services	400	400
All other non-audit services not included above	5,065	10,706
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	18,584,176	14,714,668
Social security costs	1,550,400	1,107,917
Operating costs of defined benefit pension schemes	3,115,340	2,438,501
	<u>23,249,916</u>	<u>18,261,086</u>
Supply teacher costs	345,189	411,199
Staff restructuring costs	193,422	216,414
	<u><u>23,788,527</u></u>	<u><u>18,888,699</u></u>

Staff restructuring costs comprise:

	2016 £	2015 £
Redundancy payments	136,768	128,280
Severance payments	56,654	88,134
	<u>193,422</u>	<u>216,414</u>

The average number of persons employed by the Trust during the year was as follows:

	2016 No.	2015 No.
Teachers and educational support	602	545
Administration and support	235	153
Management	14	12
	<u>851</u>	<u>710</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers and educational support	507	429
Administration and support	116	96
Management	15	12
	<u>638</u>	<u>537</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. STAFF COSTS (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	5	2
In the band £80,001 - £90,000	4	3
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	0
In the band £120,001 - £130,000	0	1
In the band £150,001 - £160,000	1	1

Seventeen of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

Included within staff restructuring costs are non-statutory / non-contractual severance payments totalling **£56,654** (2015 - £88,134). Individually, the payments were: £21,516, £17,800, £5,000, £2,716, £3,178 and £6,444.

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was **£1,494,481** (2015: £1,111,386).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. CENTRAL SERVICES

The Trust has provided the following central services to its academies during the year:

- Financial Services
- Human Resources
- ICT
- Operations and Estate Management
- Procurement
- Health and Safety
- Media Communications
- Projects and Funding
- Governance and Quality Assurance Inspections
- Data and Performance; and
- Teaching and Learning

The Trust charges for these services on the following basis:

A flat percentage of GAG income basis (5.25%).

In addition, GAG income for each academy is pooled. An appeals mechanism is in place in accordance with the Academies Financial Handbook should a constituent academy's Principal feel that the academy has been unfairly treated.

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
Great Yarmouth Primary Academy	105,706	80,255
Cobholm Primary Academy	51,943	25,055
Stradbroke Primary Academy	45,519	26,651
Norwich Primary Academy	104,261	79,776
Hethersett Academy	155,390	125,273
Cromer Academy	118,646	84,157
Thetford Academy	332,050	253,857
East Point Academy	187,844	126,759
Hewett Academy	195,614	-
Jane Austen College	111,056	49,143
Sir Isaac Newton Sixth Form	43,151	32,870
Total	<u>1,451,180</u>	<u>883,796</u>

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14. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 1 Trustee (2015 - 1) in respect of defined benefit pension schemes.

One or more Trustee's has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role of a staff member under their contract of employment, and not in respect of their role as Trustee. The value of Trustee's remuneration and other benefits was as follows:

		2016 £	2015 £
Dame R de Souza (Chief Executive Officer and Trustee)	Remuneration	150,000-155,000	155,000-160,000
	Pension contributions paid	20,000-25,000	20,000-25,000

During the year, no Trustees received any reimbursement of expenses (2015 - £872).

15. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

16. PENSION INTEREST

	2016 £	2015 £
Interest income on pension scheme assets	403,000	285,750
Interest on pension scheme liabilities	(580,000)	(416,250)
	<u>(177,000)</u>	<u>(130,500)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold land and buildings £	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2015	17,877,447	27,706,571	5,941	1,729,654	2,213,366	49,532,979
Additions	209,552	33,614,857	-	148,222	454,911	34,427,542
Disposals	-	-	-	(6,470)	-	(6,470)
Transfer on conversion	10,140,000	-	-	-	-	10,140,000
At 31 August 2016	28,226,999	61,321,428	5,941	1,871,406	2,668,277	94,094,051
Depreciation						
At 1 September 2015	419,356	761,076	1,984	329,526	715,541	2,227,483
Charge for the year	453,611	1,364,972	1,476	322,782	800,299	2,943,140
On disposals	-	-	-	(702)	-	(702)
At 31 August 2016	872,967	2,126,048	3,460	651,606	1,515,840	5,169,921
Net book value						
At 31 August 2016	27,354,032	59,195,380	2,481	1,219,800	1,152,437	88,924,130
At 31 August 2015	17,458,091	26,945,495	3,957	1,400,128	1,497,825	47,305,496

Included in land and buildings is freehold land at valuation of **£5,472,000** (2015 - £1,420,000) which is not depreciated.

The Trust's transactions relating to land and buildings included:

1. the transfer of the freehold on Hewett Academy which was transferred to the trust at a value of £10,140,000.
2. the taking up of a leasehold on Thetford Academy over a term of 125 years. The property has been included in additions at a value of £33,164,669.

18. DEBTORS

	2016 £	2015 £
Trade debtors	97,229	32,948
VAT repayable	438,909	691,456
Other debtors	24,009	7,311
Prepayments and accrued income	2,379,243	1,304,209
	<u>2,939,390</u>	<u>2,035,924</u>

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19. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	25,642	25,642
Trade creditors	1,347,560	787,373
Other taxation and social security	458,489	362,237
Other creditors	960,144	1,205,862
Accruals and deferred income	1,005,747	699,636
	<u>3,797,582</u>	<u>3,080,750</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	235,404	1,997,183
Resources deferred during the year	336,635	235,404
Amounts released from previous years	(235,404)	(1,997,183)
Deferred income at 31 August 2016	<u>336,635</u>	<u>235,404</u>

At the balance sheet date the Trust had received the following income relating to the period after the balance sheet date:

- EFA funding for SCITT (£19,250)
- Trip income (£66,821)
- Lettings income (£13,619)
- Free School Meals funding (£69,084)
- Rates relief grant income (£93,455)
- Pupil Premium grant income (£23,217)
- Cluster funding (£24,806)
- Various other amounts (£26,383)

20. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Other loans	<u>54,515</u>	<u>77,927</u>
Included within the above are amounts falling due as follows:		
	2016 £	2015 £
Between one and two years		
Other loans	<u>25,642</u>	<u>25,642</u>
Between two and five years		
Other loans	<u>28,872</u>	<u>52,285</u>

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20. CREDITORS: Amounts falling due after more than one year (continued)

Included within creditors is an outstanding loan of £48,965, this loan was transferred to the Trust on the conversion of Hethersett High School. This loan is repayable over 7 years on a straight line basis with a fixed amount of interest due annually. At the balance sheet date there were 4 years remaining.

Also included within creditors is an outstanding loan of £31,192, this loan was transferred to the Trust as part of the assets and liabilities of East Point Academy. At the date of transfer the outstanding loan amount was £55,764. Repayments are due annually and at the balance sheet date there were 3 years remaining.

21. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Central services	(512,518)	-	(1,421,298)	1,483,800	-	(450,016)
Other general funds	1,811,049	991,182	(437,601)	-	-	2,364,630
	<u>1,298,531</u>	<u>991,182</u>	<u>(1,858,899)</u>	<u>1,483,800</u>	<u>-</u>	<u>1,914,614</u>

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21. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	834,820	27,336,089	(25,284,183)	(2,827,720)	-	59,006
Pupil Premium	318,076	1,975,488	(2,108,635)	-	-	184,929
Insurance	-	84,516	(84,516)	-	-	-
Nursery funding	-	77,108	(77,108)	-	-	-
Cluster funding	22,439	293,682	(316,121)	-	-	-
PE Grant	-	36,910	(36,910)	-	-	-
Start Up Grants	47,000	354,072	(362,948)	-	-	38,124
Project Development Grants	196,826	181,680	(321,073)	-	-	57,433
School Improvement Grant	100,502	-	(62,605)	(37,897)	-	-
Conversion Grants	75,935	80,000	(42,666)	(33,269)	-	80,000
Summer School	-	7,375	(7,375)	-	-	-
Bursary Funding	63,851	57,914	(54,834)	-	-	66,931
Lease Funding	-	40,000	(40,000)	-	-	-
School Games Organiser	16,300	15,603	(31,903)	-	-	-
Schools Condition Allocation (SCA)	810,890	1,882,074	(977,193)	(609,065)	-	1,106,706
Other LA funding	3,909	272,917	(257,263)	-	-	19,563
Specialist Resource Base	10,896	260,000	(260,000)	-	-	10,896
Maths Hub	24,788	182,000	(206,788)	-	-	-
Cadets	6,111	35,926	(23,776)	-	-	18,261
Extended Schools donations	-	37,500	(32,085)	-	-	5,415
Other restricted donations and grants	7,455	183,129	(124,174)	-	-	66,410
Pension reserve	(3,913,000)	(662,000)	(1,371,000)	1,088,000	(4,411,000)	(9,269,000)
	(1,373,202)	32,731,983	(32,083,156)	(2,419,951)	(4,411,000)	(7,555,326)

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21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Capital expenditure from GAG	329,911	-	(136,123)	288,540	-	482,328
Devolved Formula Capital	222,445	123,631	(65,309)	-	-	280,767
Capital funding for Building Project	15,801,007	45,654	(324,847)	-	-	15,521,814
Capital funding for ICT	485,617	137,333	(274,630)	-	-	348,320
Capital funding for furniture and equipment	893,880	93,697	(223,404)	-	-	764,173
Assets transferred from Other Trust	15,620,425	33,164,669	(1,444,342)	-	-	47,340,752
Assets transferred on conversion	13,448,230	10,140,000	(397,018)	-	-	23,191,212
Academies Capital Maintenance Funding	411,900	-	(11,849)	-	-	400,051
Capital expenditure from unrestricted funds	9,445	-	(2,568)	-	-	6,877
Donations in kind	8,581	-	(2,860)	-	-	5,721
Capital expenditure from SCA	6,641	-	(11,252)	609,065	-	604,454
IT Capital funding	172,026	-	(49,054)	-	-	122,972
Capital expenditure from School Improvement Fund	-	-	-	5,277	-	5,277
Capital expenditure from pre-opening grants	-	-	(1,984)	33,269	-	31,285
	47,410,108	43,704,984	(2,945,240)	936,151	-	89,106,003
Total restricted funds	46,036,906	76,436,967	(35,028,396)	(1,483,800)	(4,411,000)	81,550,677
Total of funds	47,335,437	77,428,149	(36,887,295)	-	(4,411,000)	83,465,291

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

The General Annual Grant (GAG) is for the normal running costs of the schools within the Trust. During the year, GAG income of £27,477,662 was received from the EFA and £118,427 was received in respect of Universal Free School Meals (as shown in note 3). £260,000 included within GAG in Note 3 is analysed separately as Specialist Resource Base fund within the Statement of Funds above.

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21. STATEMENT OF FUNDS (continued)

The following transfers have been made from the GAG: £1,088,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £288,540 for capital expenditure from the GAG fund, £1,451,180 as the contribution to central services provided by the Trust.

The Pupil Premium income has been provided by the EFA to help raise the attainment of disadvantaged pupils.

The EFA insurance grants were provided to assist covering insurance costs within academy schools.

Nursery Funding is utilised to employ appropriate staff for the Nursery on site at Great Yarmouth Primary Academy and Cobholm Primary Academy.

Cluster Funding is focused on children with special educational needs, and is utilised on SEN co-ordinators and additional teaching resource and visits orientated to support normal curriculum learning.

The PE Grant represents funding received towards the cost of improving PE provision.

Start-up Grants are provided to cover some of the disproportionate costs of operating a new school with empty and partial year groups.

Project Development Grants are spent on set-up of new schools including staff recruitment, marketing, curriculum development and other initial administration resource and equipment. Where there are any unspent funds these are carried forward to be spent on curriculum supplies and infrastructure at the corresponding school.

School Improvement Grants and Conversion Grants are awarded on conversion to Academy status. These monies are variously spent on re-branding, changes to school uniform (if necessary), legal costs and other transition expenses. Unspent funds are available for Trust purposes on educational needs.

The Summer School funding was to provide opportunities for helping disadvantaged new pupils to understand what and how they will be studying Key Stage 3. It is also an opportunity for schools to help disadvantaged pupils who are behind in key areas such as literacy and numeracy to catch up with their peers.

The Bursary Funding has been provided to fund additional resources required to teach 16-19 year old pupils.

Lease Funding was received from the EFA during the year to assist with the cost of leasing a premises for Sir Isaac Newton Sixth Form.

The School Games Organiser funding supports delivery of school games and the Change4Life initiative in schools.

Schools Condition Allocation of £1,882,074 was received from the EFA to fund capital projects within the Trust's schools.

Other LA Funding is directed at pupil specific support in classrooms.

Funding was received for the running of a Specialist Resource Base at Cromer Academy and Hewett Academy for specialised additional special educational needs support.

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21. STATEMENT OF FUNDS (continued)

The Maths Hub was established to bring together mathematics education professionals in a collaborative national network, each locally led by a school. It harnesses all expertise and leadership within an area to develop and spread excellent practice for the benefit of all pupils and students.

Start up funds were received for the implementation of Cadets at Hethersett Academy.

The Sponsor of the Trust made donations during the year to support the Enrichment provision as part of extended school days.

The Pension reserve deficit at the year end was £9,269,000 and represents the Trust's share of the deficit of the relevant Local Government Pension Schemes.

Devolved Formula Capital funding is received for minor capital works and ICT replacement within the Trust.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
Great Yarmouth Primary Academy	153,956	684,929
Norwich Primary Academy	187,483	528,145
Sir Isaac Newton Sixth Form	(127,621)	(395,986)
Cromer Academy	246,097	537,564
Hethersett Academy	49,507	(20,132)
Jane Austen College	103,188	69,478
Thetford Academy	390,471	1,053,566
East Point Academy	133,927	422,126
Stradbroke Academy	52,136	151,367
Cobholm Primary Academy	31,536	107,650
Hewett Academy	87,899	-
Central Services	2,319,709	699,622
Total before fixed asset fund and pension reserve	3,628,288	3,838,329
Restricted fixed asset fund	89,106,003	47,410,108
Pension reserve	(9,269,000)	(3,913,000)
Total	83,465,291	47,335,437

During the year excess unrestricted funds were transferred to Central Services to be used towards meeting any of the charitable objects of the Trust, at any academy within the Trust, at the discretion of Trustees. In addition, the Trust has adopted GAG pooling for each academy. An appeals mechanism is in place in accordance with the Academies Financial Handbook should a constituent academy's principal feel that the academy has been unfairly treated.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Sir Isaac Newton Sixth Form	(127,621)

Sir Isaac Newton Sixth Form opened in September 2013 in temporary accommodation. This impacted on student recruitment and associated income. However, to protect teaching quality there was not a matching reduction in staffing levels. Alongside the achievement of a "Good" Ofsted rating and impressive A level results, student recruitment is now on an upward trend with 193 pupils recruited this year. Next year the school will be close to capacity which should clear the current deficit.

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
Great Yarmouth Primary Academy	1,370,297	153,779	45,621	869,948	2,439,645	2,189,472
Norwich Primary Academy	1,524,214	171,416	35,582	545,552	2,276,764	2,086,044
Sir Isaac Newton Sixth Form	824,479	48,298	32,133	524,328	1,429,238	1,233,300
Cromer Academy	1,640,236	194,527	44,574	661,407	2,540,744	2,525,567
Hethersett Academy	2,277,823	246,649	47,930	754,040	3,326,442	3,432,941
Jane Austen Academy	1,545,045	88,575	50,937	479,133	2,163,690	1,268,660
Thetford Academy	4,670,611	604,100	123,931	1,473,556	6,872,198	6,819,691
East Point Academy	2,162,356	416,149	60,280	936,680	3,575,465	2,910,218
Stradbroke Academy	747,344	43,835	38,725	286,331	1,116,235	802,567
Cobholm Academy	599,437	60,184	20,091	373,954	1,053,666	821,041
Hewett Academy	2,389,751	483,495	41,901	1,079,407	3,994,554	-
Central Services	436,830	1,089,097	23,813	1,603,674	3,153,414	2,053,768
	<u>20,188,423</u>	<u>3,600,104</u>	<u>565,518</u>	<u>9,588,010</u>	<u>33,942,055</u>	<u>26,143,269</u>

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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	88,924,131	88,924,131	47,305,496
Current assets	2,237,113	5,243,272	181,872	7,662,257	7,101,618
Creditors due within one year	(267,984)	(3,529,598)	-	(3,797,582)	(3,080,750)
Creditors due in more than one year	(54,515)	-	-	(54,515)	(77,927)
Provisions for liabilities and charges	-	(9,269,000)	-	(9,269,000)	(3,913,000)
	<u>1,914,614</u>	<u>(7,555,326)</u>	<u>89,106,003</u>	<u>83,465,291</u>	<u>47,335,437</u>

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	40,540,854	14,718,821
Adjustment for:		
Depreciation charges	2,943,140	1,740,129
Interest receivable	(21,531)	(6,584)
Loss/(profit) on the sale of fixed assets	2,101	(340)
(Increase)/decrease in debtors	(903,465)	2,218,455
Increase/(decrease) in creditors	716,833	(2,169,975)
Capital grants from DfE and other capital income	(400,315)	(4,263,641)
Defined benefit pension scheme obligation inherited	662,000	197,000
Defined benefit pension scheme cost less contributions payable	106,000	267,500
Defined benefit pension scheme finance cost	177,000	130,500
Net assets and liabilities from local authority on conversion	(10,140,000)	(2,903,626)
Other capital donations / transfers	(33,164,669)	(10,919,712)
Pension deficit transferred from other Trust	-	2,279,750
Net cash provided by operating activities	<u>517,948</u>	<u>1,288,277</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	4,722,868	5,065,694
Total	<u>4,722,868</u>	<u>5,065,694</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. CONVERSION TO AN ACADEMY TRUST

On 1 September 2015 The Hewett School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Inspiration Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	10,140,000	10,140,000
LGPS pension surplus/(deficit)	-	(662,000)	-	(662,000)
Net assets/(liabilities)	-	(662,000)	10,140,000	9,478,000

26. CAPITAL COMMITMENTS

At 31 August 2016 the Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	27,405

27. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by both Norfolk County Council and Suffolk County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £367,820 were payable to the schemes at 31 August 2016 (2015 - 296,825) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by

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27. PENSION COMMITMENTS (continued)

the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 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' Pension Scheme

Not less than every four years the Government Actuary, 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. 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,990,866 (2015 - £1,381,958).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £1,389,000 (2015 - £1,037,500), of which employer's contributions totalled £1,088,000 (2015 - £796,500) and employees' contributions totalled £301,000 (2015 - £241,000). The agreed contribution rates for future years are 15.0% - 25.5% for employers and 5.5% - 12.5% for employees.

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27. PENSION COMMITMENTS (continued)

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.

Norfolk Pension Fund

Principal actuarial assumptions:

	2016	2015
Discount rate	2.10 %	3.80 %
Salary increase rate	3.10 %	3.60 %
Pension increase rate	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.1	22.4
Females	24.3	24.4
Retiring in 20 years		
Males	24.5	24.3
Females	26.9	26.9

Suffolk Pension Fund

Principal actuarial assumptions:

	2016	2015
Discount rate	2.10 %	3.80 %
Salary increase rate	4.10 %	4.60 %
Pension increase rate	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.4	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24.3	24.3
Females	26.9	26.9

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27. PENSION COMMITMENTS (continued)

The Trust's share of the assets in the schemes was:

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	8,060,760	5,439,000
Debt instruments	3,255,000	2,268,000
Property	1,520,800	1,144,000
Cash	237,440	235,000
	<u>13,074,000</u>	<u>9,086,000</u>
Total market value of assets	<u>13,074,000</u>	<u>9,086,000</u>

The actual return on scheme assets was £1,772,000 (2015 - £312,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(1,166,000)	(1,064,000)
Net interest cost	(177,000)	(130,500)
Past service cost	(28,000)	-
	<u>(1,371,000)</u>	<u>(1,194,500)</u>
Total	<u>(1,371,000)</u>	<u>(1,194,500)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	<i>2015 £</i>
Opening defined benefit obligation	12,999,000	4,130,000
Current service cost	1,166,000	1,064,000
Interest cost	580,000	416,250
Contributions by employees	301,000	241,000
Actuarial losses/(gains)	5,780,000	(201,500)
Past service costs	28,000	-
Liabilities assumed in a business combination	1,511,000	7,363,500
Benefits paid	(22,000)	(14,250)
	<u>22,343,000</u>	<u>12,999,000</u>
Closing defined benefit obligation	<u>22,343,000</u>	<u>12,999,000</u>

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27. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	9,086,000	2,864,000
Interest income	403,000	285,750
Return on assets excluding amounts included in net interest	1,369,000	26,250
Contributions by employer	1,088,000	796,500
Contributions by employees	301,000	241,000
Assets acquired in a business combination	849,000	4,886,750
Benefits paid	(22,000)	(14,250)
	<u>13,074,000</u>	<u>9,086,000</u>
Closing fair value of scheme assets	<u>13,074,000</u>	<u>9,086,000</u>

28. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	253,327	182,321
Between 1 and 5 years	816,803	531,941
After more than 5 years	1,617,519	1,645,680
Total	<u>2,687,649</u>	<u>2,359,942</u>

29. MEMBERS' LIABILITY

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.

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30. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the Trust Board 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 £37,500 (2015: £100,000) was received from The Public Interest Foundation, a charity in which Sir Theodore Agnew, the Sponsor and a Trustee of the Trust, and Mr D Tibble, a Trustee, are also Trustees.

During the year Mr S Berwick, a Trustee of the Trust, donated £2,000 to the Trust. In the prior year Mr D Tibble, a Trustee of the Trust, donated £1,250 and Mrs M Hollingsworth, also a Trustee of the Trust, donated £120 to the Trust.

During the year £12,500 (2015: £8,000) was received from Norfolk Community Foundation, which administers a fund set up by Sir Theodore Agnew, the Sponsor of the Trust.

During the prior year Sir Theodore Agnew, the Sponsor of the Trust who is also a Trustee, donated £40,000 to the Trust. No such transactions took place during the current year.

During the prior year the Trust paid £11,795 to The Shakespeare Globe Trust for CPD, resources and in school workshops. Dame R de Souza, a Trustee of the Trust, is also a Trustee of The Shakespeare Globe Trust. No such transactions took place during the current year.

During the prior year Lord Prior of Brampton, a Trustee of the Trust who resigned on 17 July 2015, donated £330 to the Trust. No such transactions took place during the current year

Friends of Hethersett Academy is a registered charity (No. 285898) which raises funds for Hethersett Academy. The latest accounts, prepared for the year ended 31 July 2016, show that the charity had income in the year of £3,952 (2015: £1,615) and expenditure of £2,328 (2015: £4,856).

Friends of Cromer Academy Trust is a registered charity (No. 800502) which raises funds for Cromer Academy. The latest accounts, prepared for the year ended 31 October 2015, show that the charity had income in the year of £100 (2015: £1,134) and expenditure of £107 (2015: £274).

31. POST BALANCE SHEET EVENTS

The Trust opened two new free schools on 1 September 2016, Charles Darwin Primary in Norwich and Trafalgar College in Great Yarmouth.

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**NOTES TO THE FINANCIAL STATEMENTS
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32. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		32,388,866	47,335,437
Total funds reported under FRS 102		<u>32,388,866</u>	<u>47,335,437</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		14,798,071
Changes in recognition of LGPS interest cost	A	(79,250)
Net income reported under FRS 102		<u>14,718,821</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in support costs. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in support costs. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to support costs by £79,250 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.
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In accordance with the Academies Accounts Direction 2015 to 2016 income for the year ended 31 August 2015 has been reclassified into appropriate categories and governance costs have been reclassified as expenditure on Trust educational operations. The reclassification of income and expenditure has had no effect on total income, total expenditure, net income/(expenditure) for the year or total funds as previously reported.