

**Inspire Multi Academy Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the period 8 November 2012 to 31 August 2013**



Company Registration Number:  
08287012 (England and Wales)

# Inspire Multi Academy Trust

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# **Inspire Multi Academy Trust**

## **Reference and Administrative Details**

**Trustees/Directors** M Foster (Chair) (appointed 1<sup>st</sup> December 2012)  
A Brown (Vice Chair) (appointed 8<sup>th</sup> November 2012)  
J Chadd (appointed 8<sup>th</sup> November 2012)  
J Griffith (appointed 8<sup>th</sup> November 2012)  
S Porthouse (appointed 1<sup>st</sup> December 2012)  
C Earl (appointed 1<sup>st</sup> April 2013, resigned 22<sup>nd</sup> October 2013)  
I Ridley (appointed 1<sup>st</sup> April 2013)  
A Henderson (Chief Executive Headteacher and Accounting Officer)  
(appointed 1<sup>st</sup> December 2012)  
A McCully (Executive Bursar) (appointed 1<sup>st</sup> December 2012)  
K Lakeman (appointed 1<sup>st</sup> December 2012)  
A McEvoy (appointed 1<sup>st</sup> December 2012)  
S Robinson (appointed 1<sup>st</sup> April 2013)  
E Ashton (appointed 1<sup>st</sup> April 2013)  
H Doran (appointed 1<sup>st</sup> December 2012, resigned 21<sup>st</sup> October 2013)  
C Wallace (appointed 1<sup>st</sup> December 2012)  
J West (appointed 1<sup>st</sup> April 2013)  
M Robson (appointed 1<sup>st</sup> April 2013)

### **Senior Leadership Team**

Chief Executive Headteacher	A Henderson
Executive Bursar	A McCully
Headteacher	C Wallace
Deputy Headteacher – Farringdon	L Cassidy
Assistant Headteacher – Farringdon	S Matthews
Assistant Headteacher – Farringdon	L Lavelle
Headteacher – New Penshaw	J West
Deputy Headteacher – New Penshaw	H Williams
Headteacher – Plains Farm	M Robson
Deputy Headteacher – Plains Farm	C Orchard

### **Principal and Registered Office**

Archer Road, Farringdon, Sunderland SR3 3DJ

### **Company Registration Number**

08287012 (England and Wales)

### **Independent Auditor**

Evolution Business and Tax Advisors LLP, 10 Evolution, Wynyard Business Park, Wynyard TS22 5TB

### **Bankers**

Lloyds TSB, Fawcett Street, Sunderland, Tyne & Wear

### **Solicitors**

Quality Solicitors BHP Law, 2 Kingfisher House, Kingfisher Way, Preston Farm, Stockton On Tees TS18 3EX

# **Inspire Multi Academy Trust**

## **Directors' Report**

**For The Period Ended 31<sup>st</sup> August 2013**

The Directors (some of whom are trustees of the charity for the purpose of the Companies Act) present their annual report together with the audited financial statements and auditor's reports of the charitable company of Inspire Multi Academy Trust incorporated on 8<sup>th</sup> November 2012

Inspire Multi Academy Trust includes Farringdon Academy for the period 1<sup>st</sup> December 2012 to 31<sup>st</sup> August 2013 and New Penshaw Academy and Plains Farm Academy for the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> August 2013

### **Structure, Governance and Management**

#### **Constitution**

The Multi Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Inspire Multi Academy Trust Limited (Farringdon Academy, New Penshaw Academy and Plains Farm Academy) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Inspire Multi Academy Trust.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

Every member of Inspire Trust shall be indemnified out of the assets of the Multi Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

#### **Principal Activities**

The Trust's principal activity is, in accordance with Article 4 of the Articles Of Association, "to advance for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools, (Farringdon, New Penshaw and Plains Farm Academies) offering a broad and balanced curriculum".

To promote for the benefit of the inhabitants of the areas surrounding the Academies the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with object of improving the condition of life of the said inhabitants.

#### **Method of Recruitment and Appointment or Election of Trustees**

The initial members of the Multi Academy Trust were nominated by the Governing Body of the predecessor school, Farringdon Primary School.

## **Inspire Multi Academy Trust**

### **Directors' Report (continued)**

The number of Trustees as set out in the Articles of Association and Funding Agreement shall be not less than three (but unless determined by ordinary resolution) shall not be subject to any maximum

Subject to Articles 48-49, the Company shall have the following Directors

- up to 13 Directors
- in addition to the Directors the Members may appoint Staff Directors through such process as they may determine
- the total number of Directors including the Chief Executive Headteacher who are employees of the Company shall not exceed one third of the total number of Directors
- a minimum of two Parent Directors, suitable procedures are in place for the conduct of Parent Governor elections

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

During the year of 2012/13 the Directors held 12 meetings

Following their appointment/election all new Trustees/Directors/Governors will receive an introduction to their role from the Chair of Trustees and Executive Headteacher, this introduction includes tours of the Trust's academies and the opportunity to meet other members of the Senior Leadership Team, staff and pupils

The training and induction for new Directors/Governors is dependent on their existing experience Inspire Multi Academy Trust is committed to providing training opportunities so as to enable them to undertake their role more effectively, and provides them with copies of policies, procedures, minutes, accounts, budget, plans and other documentation

#### **Organisational Structure**

The Multi Academy Trust structure consists of three levels the Trustees, the Directors and the Academy Local Governing Bodies The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels

The Trustees and Directors have overall responsibility and ultimate decision making authority for the Trust including the establishment and running of the Academies The Directors retain overall responsibility for strategic planning and setting the Company's policy The Directors have the power to direct change when required The responsibility for the running of each Academy is delegated to the Local Governing Body of each respective Academy subject to the Company's Scheme of Delegation

The Trustees and Directors are responsible for ensuring that the Governing Body fulfils its statutory obligations in a manner which will allow the Academy to fulfil its aims ensuring procedures are in place to ensure regularity, propriety and value for money, setting general policy, adopting a Trust Development Plan and budget, monitoring the Trust by the use of budgets, external and internal review reports and enabling them to make major decisions about the direction of the Company, capital expenditure, Headteacher and Deputy Headteacher staff appointments

The Governors are responsible for adopting an annual School Development Plan and budget, implementing policies laid down by the Directors, Chief Executive Headteacher and Chair of the Local Governing Body, the Headteacher of each Academy reports back to the Trustees termly on the outcomes of work in their school

The Chief Executive Headteacher and Executive Bursar control the leadership and management of the Trust at an executive level implementing policies laid down by the Directors and reporting back to them The Executive Headteacher will always be part of staff appointments

# **Inspire Multi Academy Trust**

## **Directors' Report (continued)**

### **Risk Management**

As a recently formed Trust with three academies since April 2013, the Trust has been undertaking a comprehensive assessment of possible risks to the future of the Trust and associated academies and is compiling risk registers for each Academy. The Directors have assessed the major risks which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances.

This risk assessment process is nearing completion and will be brought before the Directors. The outcome will be that the Trust has a robust system of Risk Management which is monitored and reviewed on an annual basis by the Chief Executive Headteacher, Executive Bursar and representatives from the Local Authority who are well versed in Risk Management Procedures. The Risk Management Plan will be given to the Directors on completion for review and approval.

### **Connected Organisations including Related Party Relationships**

The Trust is presently made up of three academies and does not work with any other organisations but is developing links with other schools, academies, colleges and other businesses where these partnerships assist in the Trust's objectives.

### **Objectives and Activities**

#### **Objects and Aims**

The principal objective and activity of the charitable company, in accordance with the Articles of Association, is the management, development, maintenance and operation of the Trust's Academies, Farringdon Academy, New Penshaw Academy and Plains Farm Academy, offering a broad and balanced education for pupils of differing abilities between the ages of 3 and 11.

Underlying the principal objective are a number of other objectives which assist Academy staff in fulfilling the principal objective. These are as follows:

- to ensure that the process of education is a partnership between the learner, the school and the parents, together with Trustees, employers and the community
- to keep the pupil at the centre of this process, knowing that they have various talents and aspirations that need encouragement to develop
- to raise standards through a constant focus on individual achievement/attainment, effective use of new technologies and a higher percentage of outstanding teaching, ensuring at least good progress
- to challenge all in the Trust's community to fulfil their responsibilities ensuring accountability
- to motivate all pupils and enable them to be confident, independent lifelong learners equipped to meet the challenges of the 21<sup>st</sup> century within an outstanding, safe and nurturing environment
- to ensure all pupils show respect for each other and all the people in the Trust's communities and play a full part in creating a caring, respectful and supportive school environment
- to foster pupils outstanding behaviour avoiding all forms of bullying

### **Inspire Multi Academy Trust Development Plan Priorities for 2012/13**

- to ensure a smooth and seamless conversion of Farringdon, New Penshaw and Plains Farm maintained schools to academy status
- Inspire Multi Academy Directors support and challenge the Chief Executive Headteacher, Executive Bursar and Headteachers of the academies in delivering high standards of attainment and progress
- to integrate a coherent programme of support for all Headteachers and Senior Leaders skills in school management and self-evaluation
- to provide Directors and Governors effective training to enable them to understand schools progress and offer support and challenge

# Inspire Multi Academy Trust

## Directors' Report (continued)

- to ensure Directors/Governors fulfil and understand their role and accountability to the Trust
- to implement appropriate procedures where underperformance is shown

### Public Benefit

We acknowledge as Directors that the Trust has complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers during the period, as detailed in L49 of the S O R P

The school premises are used for a variety of activities including community football, Karate, Zumba classes and pre school playgroups. We also run adult and family learning training programmes and intend to extend this further in the future.

### Achievements and Performance within the Trust 2012/13

#### Farringdon Academy

KS1 2013	L2+		L3	
	School	Sunderland	School	Sunderland
Speaking/Listening	94%	87%	4%	20%
Reading	94%	87%	24%	24%
Writing	84%	83%	10%	12%
Maths	88%	89%	18%	19%
Science	96%	87%	16%	18%
KS2 2013	L4+		L5	
	School	Sunderland	School	Sunderland
Reading	93%	86%	43%	43%
Writing	83%	84%	23%	30%
Maths	97%	86%	30%	43%
Science	87%	88%	37%	38%
Combined level 4+RWM	83%	76%		

#### New Penshaw

KS1 2013	L2+		L3	
	School	Sunderland	School	Sunderland
Speaking/Listening	94%	87%	24%	20%
Reading	88%	87%	12%	24%
Writing	76%	83%	12%	12%
Maths	88%	89%	12%	19%
Science	94%	87%	41%	18%
KS2 2013	L4+		L5	
	School	Sunderland	School	Sunderland
Reading	69%	86%	19%	43%
Writing	75%	84%	25%	30%
Maths	69%	86%	25%	43%
Science	81%	88%	38%	38%
Combined level 4+RWM	56%	76%		

# Inspire Multi Academy Trust

## Directors' Report (continued)

### Plains Farm

KS1 2013	L2+		L3	
	School	Sunderland	School	Sunderland
Speaking/Listening	89%	87%	7%	20%
Reading	82%	87%	11%	24%
Writing	82%	83%	7%	12%
Maths	89%	89%	4%	19%
Science	89%	87%	0%	18%

KS2 2013	L4+		L5	
	School	Sunderland	School	Sunderland
Reading	72%	86%	21%	43%
Writing	62%	84%	24%	30%
Maths	72%	86%	24%	43%
Science	72%	88%	21%	38%

<b>Combined level 4+RWM</b>	<b>52%</b>	<b>76%</b>		
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The results across the Trust evidence the success of Farrington, the sponsor academy, and their capacity to support New Penshaw and Plains Farm Academies. The conversion of all three schools was managed effectively December 2012 for Farrington and April 2013 for New Penshaw and Plains Farm.

A significant programme of CPD has been and is continuing to be provided to Headteachers, Directors and school senior managers to develop further the academies' self-evaluation processes, use of data, planning and conducting school reviews, effective report writing and performance management.

All academies work closely with attendance support officers to improve attendance, with a specific focus on those pupils being deemed as Persistent Absentees.

Farrington Academy was awarded a Sponsor Capacity Grant to build capacity across the Trust within Leadership/Management, developing support mechanisms to eradicate inadequate teaching and provide resources to allow all academies very similar starting points i.e. enhancing ICT facilities.

### **Going Concern**

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

### **Key Financial Performance Indicators**

Most of the Trust's income is obtained from the DFE in the form of recurrent grants, the use of which is restricted to particular purposes. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 20. Details of all grants and income received can be found in note 4.

During the period ending 31<sup>st</sup> August 2013 expenditure amounting to £2,529,000 was incurred or accrued. This was offset entirely by grants receivable from the EFA, Local Authority grants and other funds.

No specific capital grants were awarded to the academies by the DFE to provide fixed assets, apart from the Devolved Formula Capital Grants (DFC). In accordance with the charities SORP 2005, the DFC received is shown in the Statement of Financial Activities as restricted asset funds. On conversion, on 1<sup>st</sup> December 2012 Farrington, and 1<sup>st</sup> April 2013 New Penshaw and Plains Farm, all



# **Inspire Multi Academy Trust**

## **Directors' Report (continued)**

of the fixed assets of the former Local Authority maintained school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

### **Financial Review**

It is expected over the next couple of years that pupil numbers will increase across the Trust specifically in Farringdon Academy, the sponsor academy, as data indicates a favourable outcome for pupil progress. As a result of close working relationships, sharing of best practice and high expectations, attainment and progress will improve within the two sponsored academies which should be reflected in a rise in their pupil numbers that will secure increased funding from the EFA in future years.

### **Financial and Risk Management Objectives and Policies**

The Directors recognise that the principal risks and uncertainties are centred around the changes in the levels of funding from the DFE/EFA and also the LGPS deficit which represents a significant liability. However, the Directors of the Trust consider that the individual academies are able to meet their liabilities in respect of paying its annual contributions for the foreseeable future, therefore the risk from this liability is minimised.

### **Principal Risks and Uncertainties**

The Trust is subject to a number of risks and uncertainties in common with other Academies. The Trust is compiling Risk Registers and Business Continuity Plans that will be approved and reviewed annually for the Trust and each Academy that will identify and mitigate financial risks.

### **Reserves Policy**

The Directors will review the levels of reserves of the Trust annually in the Autumn term. Directors agree that the Trust should aim to hold a prudent level of reserves designed to meet the long term need of renewal and also to meet any unforeseen contingencies, subject to the conditions set out by the EFA.

As of 31<sup>st</sup> August 2013 the Trust level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £233,000.

### **Investment Policy**

The Trust investment powers are governed by the Articles of Association, which permits the Charitable Company to deposit or invest any funds not immediately required for the furtherance of its objectives. After consulting with Lloyds Bank Relationship Manager, Directors agreed to make investments in accounts within four different investment periods, ensuring that extra funds are available on a regular, timely basis to deal with any unforeseen emergencies. When the funds come to maturity Directors will make the decision whether to re-invest or whether the funds will be required for urgent necessities or contingencies. Directors approved an investment policy and investments will be made in the Autumn term 2013.

# Inspire Multi Academy Trust

## Directors' Report (continued)

### Plans for Future Periods

Our primary focus for the Trust in 2013/14 is to ensure our pupils make good or better progress and attain in line or exceeding national expectations at all Key Stages. Farrington, the sponsor academy, will work closely with New Penshaw and Plains Farm in ensuring they meet DfE floor targets. Other targets we have set include

- raising the performance of Leadership and Management at all levels across the Trust
- eradicating any inadequate teaching, raising the level of good teaching to 100% and aiming for at least 50% outstanding teaching
- develop outdoor learning opportunities for pupils
- embed rigorous systems of assessment, planning and reporting
- reduce the levels of persistently absent pupils
- making sure we use our resources wisely, for the benefit of all pupils in the Trust

### Auditor

Insofar as the trustees are aware

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

Approved by order of the board of Directors on 2 December 2013 and signed on its behalf by

[Signed]

M Foster

Chair of Trustees

# Inspire Multi Academy Trust

## Governance Statement

### Scope of Responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee/Directors	Meetings attended	Out of a possible*
M Foster (Chair)	8	8
A Brown (Vice Chair)	8	8
J Chadd	8	8
J Griffith	7	8
S Porthouse	6	8
C Earl	4	4
I Ridley	3	4
<b>Directors</b>		
A Henderson (CEH)	8	8
A McCully (CEB)	5	8
K Lakeman	0	8
A McEvoy	7	8
J West	4	4
M Robson	4	4
S Robinson	3	4
E Ashton	4	4

\* Four Director meetings were held before New Penshaw and Plains Farm Academies joined the Trust and four Director meetings were held after the academies joined the Trust.

# Inspire Multi Academy Trust

## Governance Statement (continued)

### Sub-committees of the main board of trustees

#### Finance and General Purposes Committee

The aims and objectives of the committee, as outlined in the approved Terms of Reference, are to assist the decision making of the Directors in consultation with the Executive Headteacher, Executive Bursar and Headteachers to ensure sound management of the Academies' finances and resources including proper planning, monitoring and probity and to act as a critical friend providing strategic direction to offer support and challenge ensuring that all schools operate within Financial Regulations

Directors	Meetings attended	Out of a possible
S Porthouse	1	1
A Henderson	1	1
A McCully	1	1
H Doran	0	1
**E Aston	0	1

\*\*Director not appointed at the time of the meeting

#### Audit Committee

The aims and objectives of the committee, as outlined in the approved Terms of Reference, is to advise the Directors on the adequacy and effectiveness of the Multi Academy Trust systems of internal control and its arrangements for risk management, control and governance processes and securing economic, efficiency and effectiveness (value for money)

It has been agreed that the Audit Committee will meet in the Autumn Term 2013 to

- review the Trust Internal Audit /Responsible Officer report following their audit of internal controls and governance arrangements across the Trust in the Summer term 2013
- meet with Evolution Business and Tax Advisors LLP, the external auditor

A second meeting of the Audit Committee will take place in the Autumn Term to review the report from Evolution Business and Tax Advisors LLP following their audit in November 2013

Members of the Audit Committee are as follows

#### Directors

A Brown  
C Earl  
K Lakeman

#### Personnel Committee

The aims and objectives of the committee, as outlined in the approved Terms of Reference, in consultation with the Executive Headteacher and Academy Headteachers' is to keep under review and advise the Directors on

- staffing structures
- making recommendations on personnel related expenditure
- overseeing the appointment and reduction of staff
- the administration of salary and performance management policy
- salary issues, considering appeals on pay grades or pay awards
- working conditions - monitoring work/life balance, well-being and staff absence

## Inspire Multi Academy Trust

### Governance Statement (continued)

Directors	Meetings attended	Out of a possible
M Foster	3	3
A Brown	3	3
J Chadd	3	3
J Griffith	2	3
S Porthouse	3	3
K Lakeman	1	3
A McEvoy	3	3
H Doran	1	3
**C Earl	0	3
**I Ridley	0	3
A Henderson	0*	3
A McCully	0*	3

\* Declaration of interest

\*\*Director not appointed at the time of the meeting

#### Strategy Committee

The aims and objectives of the committee are to have a strategic and coordinating role that adds to the effectiveness of the work of the Directors, to agree a programme of work responding to the need of an individual or school, review policy, oversee an Ofsted inspection, building projects, providing strategic recommendations to the Directorate as outlined in the approved Terms of Reference

Directors	Meetings attended	Out of a possible
M Foster	0	1
A Brown	1	1
J Chadd	1	1
C Wallace	0	1
J Griffith	1	1
A Henderson	1	1
A McCully	1	1
**J West	0	1
**M Robson	0	1
**S Robinson	0	1
**E Ashton	0	1

\*\*Director not appointed at the time of the meeting

#### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspire Multi Academy Trust for the period 1st December 2012 for Farrington Academy, 1st April 2013 for New Penshaw and Plains Farm Academies to 31 August 2013 and up to the date of approval of the annual report and financial statements.

# **Inspire Multi Academy Trust**

## **Governance Statement (continued)**

### **Capacity to Handle Risk**

The board of trustees, in conjunction with trained Local Authority personnel, has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st December 2012 for Farrington Academy and 1st April 2013 New Penshaw and Plains Farm Academies up to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

### **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 board of trustees,
- regular reviews by the finance and general purposes committee 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 board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Sunderland Local Authority Internal Auditor personnel to carry out the Responsible Office Role

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis the Responsible Officer will carry out checks and on an annual basis the Responsible Officer will report to the Directors on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The first internal audit of governance arrangements, financial controls and systems for the Trust by the Responsible Officer was carried out over the summer term. During week commencing 17<sup>th</sup> June 2013 for 5 days all three academies were subject to an internal audit. The objective of the audit was to provide assurance on whether the Multi Academy Trust's governance and financial management arrangements are robust and operate effectively to safeguard public funds. The audit report and recommendations have been approved by the Directors and dates for recommendations have been agreed with the accounting officer and will be implemented over the autumn term.

### **Review of Effectiveness**

As accounting officer, Mrs A Henderson has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

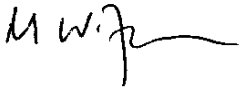
## Inspire Multi Academy Trust

### Governance Statement (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes 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 board of trustees on 2 December 2013 and signed on its behalf by

[Signed]



**M Foster**

Chair of Trustees

[Signed]



**A Henderson**

Accounting Officer

## **Inspire Multi Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

[Signed]



**A Henderson**

Accounting Officer



# Inspire Multi Academy Trust

## Statement of Trustees' Responsibilities

The trustees (who act as Directors of Inspire Multi Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

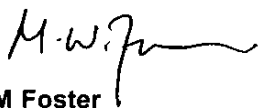
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 board of trustees on 2 December 2013 and signed on its behalf by

[Signed]



Mr M Foster

Chair of Trustees

# **Inspire Multi Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Inspire Multi Academy Trust**

We have audited the accounts of Inspire Multi Academy Trust for the period ended 31 August 2013 set out on pages 20 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the EFA.

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

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Inspire Multi Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company'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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Inspire Multi Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Inspire Multi Academy Trust (continued)**

#### **Matters on which we are required to report by exception**

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

- 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 accounts 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

*Evolution*

**Graham Fitzgerald BA FCA (Senior Statutory Auditor)**  
**for and on behalf of Evolution Business and Tax Advisors LLP**

**Chartered Accountants**  
**Statutory Auditor**

10 Evolution  
Wynyard Park  
Wynyard  
TS22 5TB

Dated 21/12/13

## **Inspire Multi Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Inspire Multi Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 02 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspire Multi Academy Trust during the period 8 November 2012 to 31 August 2013 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 Inspire Multi Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Inspire Multi Academy 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 the Inspire Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Inspire Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Inspire Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2012 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 period 8 November 2012 to 31 August 2013 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 2013 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 academy trust's income and expenditure.

## **Inspire Multi Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Inspire Multi Academy Trust and the Education Funding Agency (continued)**

The work undertaken to draw to our conclusion includes

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of termly Internal Assurance reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of all leases in place
- consideration of transactions with related parties
- review of register of business interests and consideration of related party transactions

#### **Conclusion**

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 8 November 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

The academy has in place one lease covering a period in excess of the three years permitted under the Academies Financial Handbook 2012. This lease was signed prior to academy conversion and would not be considered a breach under the Academies Financial Handbook for 2013

*Evolution*

**Graham Fitzgerald BA FCA (Senior Statutory Auditor)  
for and on behalf of Evolution Business and Tax Advisors LLP**

Dated 21/2/13.

# Inspire Multi Academy Trust

## Statement of Financial Activities for the Period Ended 31 August 2013 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000
<b>Incoming Resources</b>					
<i>Incoming Resources from Generated Funds</i>					
- Voluntary Income	2	1	-	-	1
- Activities for Generating Funds	3	73	-	-	73
- Voluntary Income - Transfer from Local Authority on Conversion		220	-	9,061	9,281
<i>Incoming Resources from Charitable Activities</i>					
- Funding for the Academy Trust's Education Operations	4	9	2,254	20	2,283
<b>Total Incoming Resources</b>		<b>303</b>	<b>2,254</b>	<b>9,081</b>	<b>11,638</b>
<b>Resources Expended</b>					
<i>Cost of Generating Funds</i>					
- Costs of Generating Voluntary Income		-	-	-	-
- Fundraising Trading		53	-	-	53
- Other Resources Expended - Transfer From Local Authority On Conversion		-	413	-	413
<i>Charitable Activities</i>					
- Academy Trust Educational Operations	6	16	1,918	86	2,020
<i>Governance Costs</i>	7	-	43	-	43
<b>Total Resources Expended</b>	5	<b>69</b>	<b>2,374</b>	<b>86</b>	<b>2,529</b>
<b>Net Incoming / (Outgoing) Resources Before Transfers</b>		<b>234</b>	<b>(120)</b>	<b>8,995</b>	<b>9,109</b>
Gross Transfers Between Funds	15	(1)	(19)	20	-
<b>Net Income / (Expenditure) for the Period</b>		<b>233</b>	<b>(139)</b>	<b>9,015</b>	<b>9,109</b>
<b>Other Recognised Gains and Losses</b>					
<i>Actuarial (Losses)/Gains on Defined Benefit Pension Schemes</i>					
	15,22	-	(235)	-	(235)
<b>Net Movement in Funds</b>		<b>233</b>	<b>(374)</b>	<b>9,015</b>	<b>8,874</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward at 1 December 2012	15	-	-	-	-
<b>Total Funds Carried Forward at 31 August 2013</b>		<b>233</b>	<b>(374)</b>	<b>9,015</b>	<b>8,874</b>

All of the academy trust's activities derive from continuing operations during the above period

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

# Inspire Multi Academy Trust

COMPANY NUMBER :

08287012

## Balance Sheet as at 31 August 2013

	Notes	2013 £000	2013 £000
<b>Fixed Assets</b>			
Tangible Assets	12		8,981
<b>Current Assets</b>			
Debtors	13	232	
Cash at Bank and in Hand		857	
		<u>1,089</u>	
<b>Liabilities</b>			
Creditors Amounts Falling Due Within One Year	14	<u>(553)</u>	
<b>Net Current Assets</b>			<u>536</u>
<b>Total Assets Less Current Liabilities</b>			<u>9,517</u>
Pension Scheme Liability	22		<u>(643)</u>
<b>Net Assets Including Pension Liability</b>			<u>8,874</u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted Income Funds</b>			
- Fixed Asset Fund	15	9,015	
- General Fund	15	269	
- Pension Reserve	15	<u>(643)</u>	
<b>Total Restricted Funds</b>			<u>8,641</u>
<b>Unrestricted Income Funds</b>			
- General Fund	15	<u>233</u>	
<b>Total Unrestricted Funds</b>			<u>233</u>
<b>Total Funds</b>			<u>8,874</u>

The financial statements on pages (20 to 42) were approved by the trustees, and authorised for issue on 2 December 2013 and are signed on their behalf by



M Foster

Chair of Trustees

# Inspire Multi Academy Trust

## Cash Flow Statement for the Period Ended 31 August 2013

	Notes	2013 £000
<b>Net Cash Inflow from Operating Activities</b>	18	604
Cash Transferred on Conversion to an Academy Trust		245
Capital Expenditure	19	8
<b>(Decrease) / Increase in Cash in the Period</b>	20	<u>857</u>
<b>Reconciliation of Net Cash Flow to Movement in Net Funds</b>		
Net Funds at 1 December 2012		-
<b>Net Funds at 31 August 2013</b>		<u>857</u>



# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period 31 August 2013

### 1 Statement of Accounting Policies

#### Basis of Preparation

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

#### Going Concern

After reviewing financial and other information available, the governors consider that the academy trust has adequate resources to continue operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

#### Incoming Resources

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

- **Grants Receivable**

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

- **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

Farringdon Primary converted from a state maintained school to an academy trust on 1 December 2012, with New Penshaw Primary and Plains Farm Primary joining the multi academy trust on 1 April 2013. The transfer of identifiable assets and liabilities and the operation of the school for £nil consideration was accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained schools to a multi academy trust were valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item at the time of conversion. The amounts were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities. Further details of the transaction are set out in note 15.

### Resources Expended

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

- **Costs of Generating Fund**  
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable Activities**  
These are costs incurred on the academy trust's educational operations.
- **Governance Costs**  
These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### Conversion to an Academy

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 and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Farringdon Primary School, New Penshaw Primary School and Plains Farm Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Inspire Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

Land and buildings for Farringdon premises have been valued on behalf of the EFA by Mouchel, New Penshaw and Plains Farm premises have been valued on a depreciated replacement cost basis by Sunderland City Council using the RICS Valuation Standards.

### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

expected useful economic life The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy

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

- |                                    |          |
|------------------------------------|----------|
| • Leasehold buildings              | 50 Years |
| • Fixtures, fittings and equipment | 10 Years |
| • ICT equipment                    | 4 Years  |

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

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

### Lease Assets

Rentals under operating leases are charged on straight line basis over the lease term

### Investments

None held

### Stock

None held

### Taxation

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

### Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method As stated in Note 22, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities The actuarial valuations are obtained at least triennially and are updated at each balance sheet date The

# **Inspire Multi Academy Trust**

## **Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)**

amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### **Fund Accounting**

Unrestricted funds represent those resources which may be used in furtherance of the charity's objects at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education and the Local Authority.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
Other Donations	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

### 3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
Hire of Facilities	12	-	12
Catering Income	34	-	34
Other Income	27	-	27
	<u>73</u>	<u>-</u>	<u>73</u>

### 4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
<b>DfE / EFA Grants</b>			
- General Annual Grant (GAG)	-	1,638	1,638
- Start Up Grants	-	75	75
- Capital Grant	-	20	20
- Other DfE/EFA Grants	-	316	316
	<u>-</u>	<u>2,049</u>	<u>2,049</u>
<b>Other Government Grants</b>			
- Local Authority Grants	-	191	191
	<u>-</u>	<u>191</u>	<u>191</u>
<b>Non Grant Income</b>	9	34	43
	<u>9</u>	<u>2,274</u>	<u>2,283</u>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 5 Resources Expended

	Staff Costs £000	Non Pay Premises £000	Expenditure Other Costs £000	Total 2013 £000
Costs of Activities for Generating Funds Academy's Educational Operations	12	-	454	466
- Direct Costs	1,317	-	201	1,518
- Allocated Support Costs	206	139	157	502
	<u>1,535</u>	<u>139</u>	<u>812</u>	<u>2,486</u>
Governance Costs Including Allocated Support Costs	-	-	43	43
	<u>-</u>	<u>-</u>	<u>43</u>	<u>43</u>
	<u>1,535</u>	<u>139</u>	<u>855</u>	<u>2,529</u>
Incoming / Outgoing Resources for the Period Include.				2013 £000
Operating Leases				10
Fees Payable to Auditor - Audit				<u>10</u>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 6 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
<b>Direct Costs</b>			
Teaching & Educational Support Staff Costs	-	1,317	1,317
Depreciation	-	85	85
Technology Costs	-	6	6
Educational Supplies	16	76	92
Staff Development	-	3	3
Educational Consultancy	-	7	7
Other Direct Costs	-	8	8
	<u>16</u>	<u>1,502</u>	<u>1,518</u>
<b>Allocated Support Costs</b>			
Support Staff Costs	-	206	206
Depreciation	-	1	1
Technology Costs	-	15	15
Maintenance of Premises and Equipment	-	36	36
Cleaning	-	26	26
Rent and Rates	-	4	4
Energy Costs	-	48	48
Insurance	-	53	53
Security and Transport	-	9	9
Catering	-	48	48
Other Support Costs	-	56	56
	<u>-</u>	<u>502</u>	<u>502</u>
	<u>16</u>	<u>2,004</u>	<u>2,020</u>

### 7 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
Legal and Professional Fees	-	33	33
Auditor's Remuneration			
- Audit of Financial Statements	-	10	10
	<u>-</u>	<u>43</u>	<u>43</u>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 8 Staff Costs

Staff costs during the period were	2013 £000
Wages and Salaries	1,202
Social Security Costs	85
Pension Costs	171
	<u>1,458</u>
Supply Teacher Costs	78
	<u>1,536</u>

The average number of persons (including senior management team) employed by the academy during the period expressed as full time equivalents was as follows

	2013 No
<b>Charitable Activities</b>	
Teachers	41
Administration and Support	56
Management	5
	<u>102</u>

The number of employees who emoluments fell within the following bands was

	2013 No
£60,001 - £70,000	1
£90,001 - £100,000	1

2 of the above employees participated in the Teacher's Pension Scheme During the period ended 31<sup>st</sup> August 2013, pension contributions for these staff amounted to £14,022

### 9 Related Party Transactions – Trustees' Remuneration & Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees The value of trustees' remuneration and periods covered was as follows

Mrs AE Henderson (Executive Headteacher)	£70,000 - £75,000 (Dec 12 – Aug 13)
Mrs A McCully (Executive Bursar)	£35,000 - £40,000 (Dec 12 – Aug 13)
Miss C Wallace (Headteacher)	£40,000 - £45,000 (Dec 12 – Aug 13)
Mrs M Robson (Headteacher)	£25,000 - £30,000 (Apr 13 – Aug 13)
Mrs J West (Headteacher)	£20,000 - £25,000 (Apr 13 – Aug 13)

During the period ended 31 August 2013 no travel and subsistence expenses have been claimed Other related party transactions involving the trustees are set out in note 23



# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 10 Central Services

The academy trust has provided the following central services to its academies during the period

- Educational Support Services,
- Financial Support Services,

The trust charges for these services have been on an informal basis for this first period of academy status. Both New Penshaw Academy and Plains Farm Academy have made financial contributions towards the central services with Farringdon Academy's contribution by means of staffing support.

The actual amounts charged during the period were as follows

	2013 £000
Farringdon Academy	£30,000
New Penshaw Academy	£15,000
Plains Farm Academy	£20,000
	<u>£65,000</u>

### 11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £889.

The cost of this insurance is included in the total insurance cost.

### 12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>					
Transfer on Conversion					
1st December 2012	-	2,188	-	59	2,247
1st April 2013	-	6,778	2	9	6,789
Additions	-	12	6	13	31
At 31 August 2013	-	8,978	8	81	9,067
<b>Depreciation</b>					
Charged in period	-	67	0	19	86
At 31 August 2013	-	67	-	19	86
<b>Net Book Values</b>					
At 31 August 2013	-	8,911	8	62	8,981

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 13 Debtors

	2013 £000
VAT Recoverable	54
Other Debtors	13
Prepayments and Accrued Income	165
	<u>232</u>

### 14 Creditors: Amounts Falling Due Within One Year

	2013 £000
Trade Creditors	85
Taxation and Social Security	49
Other Creditors	288
Accruals and Deferred Income	131
	<u>553</u>

#### Deferred Income

	2013 £000
Deferred Income at 1 December 2012	-
Resources Deferred in the period	11
Deferred Income at 31 August 2013	<u>11</u>

At the balance sheet date the multi academy trust was holding funds received in advance for building insurance costs funded by the EFA

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 15 Funds

	Balance at 1 December 2012 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2013 £000
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	-	1,638	(1,496)	(19)	123
Start Up Grant	-	75	(55)	-	20
Other DfE/EFA Grants	-	316	(236)	-	80
Other Income	-	225	(179)	-	46
Pension Reserve	-	-	(408)	(235)	(643)
	-	2,254	(2,374)	(254)	(374)
<b>Restricted Fixed Asset Funds</b>					
DfE/EFA Capital Grants	-	20	-	-	20
Capital Expenditure from GAG	-	-	(2)	20	18
Transfer From local Authority	-	9,061	(84)	-	8,977
	-	9,081	(86)	20	9,015
<b>Total Restricted Fund</b>	-	11,335	(2,460)	(234)	8,641
<b>Unrestricted Funds</b>					
Unrestricted Funds	-	303	(69)	(1)	233
<b>Total Unrestricted Funds</b>	-	303	(69)	(1)	233
<b>Total Funds</b>	-	11,638	(2,529)	(235)	8,874

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

General Annual Grant must be used for the normal running costs of the academy

Other DfE, EFA, YPLA and government grants include Pupil Premium, Special Needs and Early Years funding and the income is restricted to the terms of each funding stream

The gross transfer from the restricted general fund to the restricted asset fund of £19,224 represents the capital expenditure from the GAG during the period

The gross transfer from the unrestricted fund of £1,057 to the restricted asset fund represents a contribution to capital expenditure during the period

Capital Grant has been received for capital expenditure. Depreciation has been charged against assets within the Restricted Fixed Asset Fund. The transfer from Local Authority reflects fixed assets transferred on conversion along with surpluses on capital and revenue budgets at conversion

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 15 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows

	2013 £000
Farringdon Academy	241
New Penshaw Academy	53
Plains Farm Academy	113
Inspire Central Costs (excluding FRS17 transactions)	95
<b>Total Before Fixed Assets and Pension Reserves</b>	<b>502</b>
Restricted Fixed Asset Fund	9,015
Pension Reserve	(643)
<b>Total</b>	<b>8,874</b>

#### Analysis of Academies by cost

Expenditure incurred by each academy during the period was as follows

	Teaching & Educational Support Staff £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (Excluding Depreciation) £000	Total £000
Farringdon Academy	780	117	59	251	1,207
Plains Farm Academy	229	42	21	51	343
New Penshaw Academy	308	64	23	50	445
Inspire Central Costs (includes FRS17 transactions)	-	(5)	-	453	448
<b>Academy Trust</b>	<b>1,317</b>	<b>218</b>	<b>103</b>	<b>805</b>	<b>2,443</b>

### 16 Analysis of Net Assets Between Funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible Fixed Assets	-	-	8,981	8,981
Current Assets	233	822	34	1,089
Current Liabilities	-	(553)	-	(553)
Pension Scheme Liability	-	(643)	-	(643)
<b>Total Net Assets</b>	<b>233</b>	<b>(374)</b>	<b>9,015</b>	<b>8,874</b>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 17 Financial Commitments

#### Operating Leases

At 31 August 2013 the academy trust had annual commitment under non-cancellable operating leases as follows

	2013 £000
<b>Non Land and Buildings</b>	
Expiring within two and five years inclusive	5
	<u>5</u>

### 18 Reconciling of Net Income to Net Cash Inflow from Operating Activities

	2013 £000
Net Income	9,109
Transfer from Local Authority on conversion	(9,281)
Depreciation (Note 12)	86
Capital Grants from DfE and Other Capital Income	(39)
FRS 17 Pension Cost Less Contributions Payable (Note 22)	409
FRS 17 Pension Finance Income (Note 22)	(1)
(Increase) / Decrease in Debtors	(232)
Increase / (Decrease) in Creditors	553
<b>Net Cash Inflow from Operating Activities</b>	<u>604</u>

### 19 Capital Expenditure and Financial Investment

	2013 £000
Purchase of Tangible Fixed Assets	(31)
Capital Grants from DfE / EFA	20
Capital Funding Received from Sponsors and Others	19
<b>Net Cash Outflow from Capital Expenditure and Financial Investment</b>	<u>8</u>

### 20 Analysis of Changes in Net Funds

	At 1 December 2012 £000	Cash flows £000	At 31 August 2013 £000
Cash in hand and at bank	-	857	857
	<u>-</u>	<u>857</u>	<u>857</u>

# **Inspire Multi Academy Trust**

## **Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)**

### **21 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

# **Inspire Multi Academy Trust**

## **Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)**

### **22 Pension and Similar Obligations**

The academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Tyneside Council Both are defined-benefit schemes

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year However, a rebate was due from the Local Government Pension Scheme of £8,704 and from the Teachers' Pension Scheme of £970 to the Academy Trust at 31<sup>st</sup> August 2013

#### **Teachers' Pension Scheme**

##### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

##### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

##### **Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 22 Pension and Similar Obligations (continued)

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Services Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

#### Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57<sup>th</sup>, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £84,000, of which employer's contributions totalled £66,000 and employees' contributions totalled £18,000. The agreed contribution rates for future years are 21.7% for employers and 5.5% – 7.5% for employees.



# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 22 Pension and Similar Obligations (continued)

Due to the scheme being in deficit, Inspire Multi Academy Trust has agreed with the trustees to make contributions at 21.7% rather than at the previous rate of 14.4%

#### Principal Actuarial Assumptions (% per annum)

	At 31 August 2013	At 1 December 2012
Discount rate	4.5	4.5
RPI Inflation	3.7	3.1
CPI Inflation	2.8	2.2
Rate of increase to pensions in payment*	2.8	2.2
Rate of increase to deferred pensions	2.8	2.2
Rate of general increase in salaries**	4.7	4.1

\* In excess of Guaranteed Minimum Pension increases in payment where appropriate

\*\* In addition, allowance is made for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31 March 2010

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

	At 31 August 2013
<i>Retiring today</i>	
Males	21.7
Females	23.9
<i>Retiring in 20 years</i>	
Males	23.5
Females	25.8

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Long-term expected rate of return at 31 August 2013 (%pa)	Fair Value at 31 August 2013 £000	Long-term expected rate of return at 1 December 2012 (%pa)*	Fair Value at 1 December 2012 £000
Equities	7.9	824	7.7	285
Property	7.4	110	7.2	41
Government bonds	3.4	45	2.7	32
Corporate bonds	4.1	143	3.1	51
Cash	0.9	28	1.0	7
Other*	7.9	87	7.7	17
<b>Total market value of assets</b>		<b>1,237</b>		<b>433</b>
Present value of scheme liabilities				
- Funded		(1,880)		(620)
<b>Surplus/(deficit) in the scheme</b>		<b>(643)</b>		<b>(187)</b>

\* Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these investments will get a return in line with equities

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 22 Pension and Similar Obligations (continued)

Inspire Multi Academy Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2013.

The actual return on scheme assets was £55,000

#### Amounts recognised in the statement of financial activities

	2013 £000
Current service cost (net of employee contributions)	(62)
Past service cost	0
Total operating charge	<u>(62)</u>
<b>Analysis of pension finance income/(costs)</b>	
Expected return on pension scheme assets	40
Interest on pension liabilities	(39)
<b>Pension finance income/(costs)</b>	<u>1</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £235,000 loss.

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.

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

	2013 £000
<b>At 1 December 2012</b>	<b>620</b>
Current service cost	62
Interest cost	39
Employee contributions	18
Actuarial loss	250
Benefits paid	(1)
Net increase in liabilities from disposals and acquisitions	892
<b>At 31 August 2013</b>	<b><u>1,880</u></b>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 22 Pension and Similar Obligations (continued)

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

	2013 £000
<b>At 1 December 2012</b>	<b>433</b>
Expected return on assets	40
Actuarial gain	15
Employer contributions	66
Employee contributions	18
Benefits paid	(1)
Net increase in assets from disposals and acquisitions	666
<b>At 31 August 2013</b>	<b>1,237</b>

The estimated value of employer contributions for the period ended 31 August 2014 is £90,000

The five-year history of experience adjustments is as follows:

	As at 31 August 2013 £000	As at 1 December 2012 £000
<b>Present value of defined benefit obligations</b>	<b>(1,880)</b>	<b>(620)</b>
<b>Fair value of share of scheme assets</b>	<b>1,237</b>	<b>433</b>
<b>Deficit in scheme</b>	<b>(643)</b>	<b>(187)</b>
<b>Experience adjustments on share of scheme assets</b>		
Amounts £000	15	
<b>Experience adjustments on scheme liabilities</b>		
Amount £000	0	

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Period Ended 31 August 2013 (continued)

### 23 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

### 24 Conversion to an Academy Trust

On 1 December 2012 Farrington Primary converted to academy trust status under the Academies Act 2010 with New Penshaw Primary and Plains Farm Primary converting and joining the Multi Academy Trust on 1 April 2013 and all the operations and assets and liabilities were transferred to Inspire Multi Academy Trust Ltd from the Sunderland Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. 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 incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000
Tangible Fixed Assets				
- Freehold / Leasehold Land & Buildings	-	-	8,966	8,966
- Other Tangible Fixed Assets	-	-	70	70
Budget Surplus / (Deficit) On LA Funds	194	-	25	219
Budget Surplus / (Deficit) On Other School Funds	26	-	-	26
LGPS Pension Surplus / (Deficit)	-	(413)	-	(413)
<b>Net Assets</b>	<b>220</b>	<b>(413)</b>	<b>9,061</b>	<b>8,868</b>

The above net assets included £244,722 that was transferred as cash.