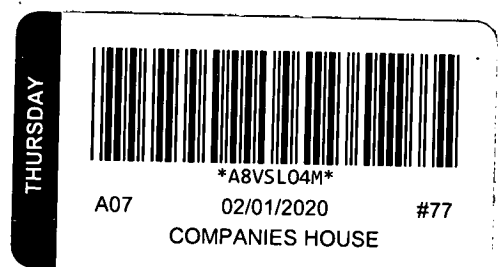


Company Registration No. 08349962 (England and Wales)

ACADEMIES OF INSPIRATION
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



ACADEMIES OF INSPIRATION

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 8
Governance statement	9 - 11
Statement on regularity, propriety and compliance	12
Statement of Trustees' responsibilities	13
Independent auditor's report on the accounts	14 - 16
Independent reporting accountant's report on regularity	17 - 18
Statement of financial activities	19 - 20
Balance sheet	21
Cash flow statement	22
Notes to the accounts	23 - 41

ACADEMIES OF INSPIRATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members	H Betterton J Pascoe - Stepped down 13/12/18 D Watson L Hassanali – From 13/12/18
Trustees (Directors)	M Davies (Left 13/02/19) J Pascoe - Chair D Taylor (Left 30/04/19) A Amin J Watson
Core Leadership Team	
Chief Executive Officer	D Taylor – Left 30/04/19
Acting Headteacher	A Amin
Associate Headteacher	C Symons – Left 31/12/2018
Head of Trade School	A Clayton
Head of Horizon School	A Bailey
Head of World School	J Humphreys
Head of Performance School	K Foley
Company Secretary	W Finnie
Company registration number	08349962 (England and Wales)
Principal and Registered office	Damson Way Carshalton Surrey SM5 4NS
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	Lloyds Bank 49/53 High Street Sutton SM1 1DT
Solicitors	South London Legal Partnership Gifford House 67c St Helier Avenue Morden SM4 6HY

ACADEMIES OF INSPIRATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' Report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2018/19 issued by the ESFA.

The principal activity of the company is the operation of a state-funded Multi Academy Trust (MAT), Academies of Inspiration. During the year the Trust was responsible for operating Stanley Park High School, providing a state education for students aged 11 to 18. The Trust had a total roll of 1234 in the school census on 16 May 2019.

Structure, governance and management

Constitution

The academy trust was incorporated as a company on 07 January 2013 and until 30 November 2016 it was a dormant company. Stanley Park High School converted to academy status on 1 December 2016 and is the first academy to join the MAT. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's articles of association, adopted on 30 November 2016, are the primary governing documents of the academy trust.

The Trustees of Academies of Inspiration are also the Directors of the charitable company for the purposes of company law and they are Trustees of the charitable company.

Details of the Trustees who served during the year 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

No third party indemnities have been provided by the Trust to any third parties on behalf of any of the Trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles, the Trustees of the charitable company are the Directors. They are appointed as follows:

- a) The Members may appoint up to 10 Trustees;
- b) A minimum of 2 Parent Trustees if there is no provision for a minimum of 2 Parent Governors on each established Local Governing Body
- c) The Chief Executive Officer, should they agree so to act;
- d) Co-opted Trustees may also be appointed by the other Trustees and members;

In respect of those appointed by the Members, ((a), above) when a vacancy arises, the Members seek to make an appointment that would maximise the relevant skills and experience on the Board as a whole.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

ACADEMIES OF INSPIRATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Board of Trustees comprises those persons appointed under the Articles of Association. The Board meets at least 3 times a year and has the following Committees:

- Risk and Audit Committee

As the Trust currently comprises of one school, all other business is conducted by the Local Governing Body which meets three times a year and has the following Committees:

- Finance Committee
- Pay Committee
- Standards Committee
- Students Committee

Committees meet termly, are formally constituted with Terms of Reference and comprise appropriately qualified and experienced members.

Trustees delegate specific responsibilities to Committees and to local governing boards, the activities of which are reported to and discussed at Board of Trustees Meetings.

Day to day leadership of the company is undertaken by the Chief Executive Officer and Leadership Team.

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The senior leadership team (SLT) are the key management personnel of the trust. Trustees are also senior leaders, although they receive no pay or other remuneration in respect of their role as Trustees. Where staff Trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are Trustees is set out within the notes to the accounts.

The pay of the Chief Executive Officer is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other SLT members is also set by the Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Chief Executive Officer.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.33%

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1% - 50%	1
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	£23,084
Total Pay bill	£6,521,000
Percentage of the total pay bill spent on facility time	0.35%

ACADEMIES OF INSPIRATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	10%
--	-----

Related Parties and other Connected Charities and Organisations

The Trust has no related parties or connected charities and organisations.

Objectives and activities

Objects and aims

The main aim of the school during the year 2018/19 was to raise the attainment and progress of all students. In the previous two years, results had been significantly below the Government's Floor standard.

Public benefit

In setting the objectives and planning the associated activities, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit

Achievements and performance

Key Performance Indicators

This year, all subjects changed from a lettered grading system (A*-G) to a numbered grading system (9-1). This change has resulted in greater differentiation at the top end with 9/8/7/6/5/4 all being considered passes this year whereas only A*/A/B/C were considered passes in the old system. Conversely, there are fewer grades available at the lower end with 3/2/1 replacing D/E/F/G.

The Trust fully supports the fact that examinations are important. Please note that the following results are provisional because they include all students on roll and they do not include the result of any appeals.

The Government publish four key headline measures in the new Performance tables. These are:

- Progress 8
- Attainment 8 Score
- % Students achieving the English Baccalaureate
- % Students achieving 4+ and 5+ in both English and Mathematics

The 2019 cohort were a slightly more able cohort in terms of average key stage 2 points score (28.9), compared to a 27.9 in 2018.

Progress 8 – The provisional Progress 8 Score for 2019 is -0.29. This is a significant increase on the score for 2018 which was -0.61 and, for the first time, well above the Government's Floor standard of -0.50.

Attainment 8 - The focus on the Attainment 8 point score has taken on a greater importance in recent years as it forms the basis for Progress 8. The method of calculating GCSE point score for A8 changed in 2016; the change is greater for pupils in the middle or lower grade range. Consequently, this has had a significant negative impact on schools whose cohort, on entry, were of middle or low prior attainment. Our A8 score (all students) in 2019 is 42.99, an increase from 2018 when it was 39.10. The A8 figure must still be considered in light of the fact that many students do not study the subjects required to fulfil the criteria by which the score is calculated.

English Baccalaureate - The Government publishes data on the percentage of students that pass the English Baccalaureate.

In 2018, only 19% of our students (36 students) were entered for this group of subjects. 78% achieved a pass. In 2019, 26 pupils were entered (14%).

ACADEMIES OF INSPIRATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

English and Mathematics - The % of students achieving a 4+ in GCSE English Language has increased from 64% in 2018 to 76% in 2019. The % achieving 5+ increased from 43% in 2018, to 57% in 2019.

English Literature results also showed an increase on 2018 with 72% of students achieving 4+ (65% in 2018) and 57% achieving 5+ (46% in 2018). Due to the way Progress 8 measures are calculated, league tables report the 'best of' English Language and Literature. Based on a cohort of 192 students (official figures), our reported results for English will be 82% 4+ and 67% 5+ (compared to 69% 4+ and 52% 5+ in 2018).

In Mathematics, results showed a slight increase on 2018 with 69% of students achieving 4+ (62% in 2018) and 37% achieving 5+ (32% in 2018). The % of students achieving grade 5 and above in both English and Mathematics increased from 26% in 2018 to 32% in 2019.

Attainment – Key Stage 5

Results in A Levels saw a significant increase from 2018, particularly at the higher end. The percentage of students achieving A*-B increased from 15% in 2018 to 27% in 2019. A*-C increased from 33% last year to 50% this year. The overall pass rate A*-E only saw an increase from 81% in 2018 to 91% in 2019.

The school continues to run a broad and balanced range of sporting activities, both within lessons and as part of its extensive programme of extra-curricular activities which continue to be very popular. As well as a range of sports activities described above, the Performing Arts based subjects run various clubs and activities as well as providing dance, drama and music evenings and/or productions. The school production was also extremely successful and enjoyed by both the participants and the audience. Other extra-curricular activities include after school study support sessions, homework clubs, subject clubs and access to the school fitness gym. We continue to run a number of sports tours and trips abroad. The Duke of Edinburgh Award continues to be popular and successful at Bronze, Silver and Gold level.

Stanley Park High had an Ofsted inspection in February 2019 and was graded Inadequate, with serious weaknesses. As a result of this, the school has now closed and a new school, Oaks Park High School has reopened as part of the Cheam Academies Network.

Going concern

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

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

ACADEMIES OF INSPIRATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The following balances held were held at 31 August:

Fund	Category	2019 £'000	2018 £'000
Other DfE/ESFA Grants	Restricted General Funds	-	15
Other Income	Restricted General Funds	52	34
Sub-total General Restricted Funds		52	49
Other Income	Unrestricted General Fund	523	803
Unspent Capital Funds	Restricted Fixed Asset Fund	6	-
Sub-Total Spendable Funds		581	852
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	48,878	49,255
Share of LGPS Deficit	Restricted Pension Reserve	(4,528)	(3,445)
Total All Funds		44,931	46,662

During the year under review, there was a surplus of £3k (2018: £16k) on general restricted funds, a deficit of £280k (2018: £4k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall deficit of £1,731k (2018: £29k).

Reserves policy

Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk generated by, for example:

- income reduction due to Government funding changes
- unexpected falls in student numbers,
- cash flow issues due to delays in receipt of funding
- emergencies

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the Trust's primary objective is preserved. At the same time, the Trust wishes to ensure that it uses its funding to benefit the students in its care, which implies a responsibility to consider actively the use of reserves to enhance educational provision. Trustees will monitor levels of reserves in financial reports provided by the CEO and the Finance Committee and in the audited financial statements. Trustees will aim for a prudent level of reserves to be maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the levels of reserves, trustees will take into account the following:

- one month's salary cost
- the Trust's annual budget
- the need for any large project spend such as facilities and IT development or building condition needs
- potential increased running costs as the new building ages
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

ACADEMIES OF INSPIRATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

The Trustees have assessed the major risks to which the company is exposed, in particular those relating to academic performance/finances/child welfare. The Trustees have implemented a number of systems to assess risks that the company faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Risk Management Working Group and overseen by governors.

The principal financial risk faced by Academies of Inspiration is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Trustees of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of Academies of Inspiration's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The trust and academy within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academy and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Implementation of plans 2018-19

The Trust currently comprises one school, Stanley Park High. In 2018-19, changes were made to ensure that attainment and progress of students would increase. These included significant changes to our curriculum, tutoring and behaviour systems as well as changes to our pastoral structure. Implementation of these during the year resulted in a significant increase in both attainment and progress.

Plans for future periods

As a result of an Ofsted inspection that took place at the school in February 2019, a decision was made by the Regional School's Commissioner to close the school and reopen it under a new trust. The decision was taken to approve the Cheam Academies Network Trust as the new trust for Stanley Park High School. The school was closed on 31st August 2019.

Funds held as custodian trustee on behalf of others

The academy trust is not acting as custodian trustee for any other external body.

ACADEMIES OF INSPIRATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6th December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J Pascoe', is written over a horizontal line.

.....
J Pascoe
Chair

ACADEMIES OF INSPIRATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive 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 Academies of Inspiration 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 three times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Jane Pascoe (Chair)	4	4
Mike Davies (left 13/02/19)	3	4
David Taylor (left 30/04/19)	2	4
Amit Amin	3	4
Joan Watson	2	4

Mike Davies left on 13th February and David Taylor left on 30th April 2019. There were no other changes during the period.

The Financial Management and Governance Self-Assessment return, required by the ESFA, was completed and submitted on time in 2017.

Stanley Park High was the only academy operated by the Trust during the year. The academy has a Local Governing Body (LGB) that is responsible the operation of the school on behalf of the Trust. The LGB has formally met three times during the period 1 September 2018 to 31 August 2019. Attendance at meetings was as follows:

Governors	Meetings attended	Out of possible
Jane Pascoe (Chair)	3	3
Amit Amin (Headteacher)	3	3
Helen Harwood	2	3
Tony Thorpe	3	3
Paula Wells	3	3
Dimple Patel	3	3
Maria Walker	3	3
Andrew Roper	2	3
Katie Alden	2	2
Terry Woods	2	3
Debra Parry	3	3
Karen O'Kill	3	3
Vanessa Udall	3	3
Philip Tarr	2	3

ACADEMIES OF INSPIRATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

The Finance Committee is a sub-committee of the Local Governing Body. Its purpose is to plan and recommend budget for approval by the Local Governing Body. It receives regular reports from the Accounting Officer, Finance Manager and the Academy's Auditors. The Finance Committee has formally met three times during the year. Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Tony Thorpe (Chair)	3	3
Jane Pascoe (Trustee)	3	3
Amit Amin	3	3
Karen O'Kill	3	3
Dimple Patel	3	3
Andrew Roper	3	3
Philip Tarr	3	3
Terry Woods	3	3

The Audit and Risk Committee is a sub-committee of the Local Governing Body. Its purpose is to advise the LGB and the Trust on matters relating to audit arrangements and systems of internal control. The Audit and Risk Committee has formally met once during the year. Attendance at meetings in 2018-19 was as follows:

Governors	Meetings attended	Out of possible
Andrew Roper (LGB)	1	1
Tony Thorpe (LGB)	1	1
Jane Pascoe (Trust Member)	1	1

Review of Value for Money

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

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

- Bringing the lettings management service in-house at the end of 2018/19
- School truck is no longer used so it has been taken off the road and not sent for 6 weekly testing
- Re-negotiating with the caterers to reduce the hospitality charges for events held in school, charging at cost price from 2018/19

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 Academies of Inspiration for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

ACADEMIES OF INSPIRATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance 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.

Baxter & Co have continued to support the school by providing a termly internal checking service to review the financial controls that are in place. During the period 01 September 19 to 31 August 20 Baxter & Co undertook a systems review and internal checking review. For both reviews a thorough report was provided detailing the areas tested with recommendations made where required.

No significant issues were reported in either report and recommendations have been implemented to enhance existing procedures.

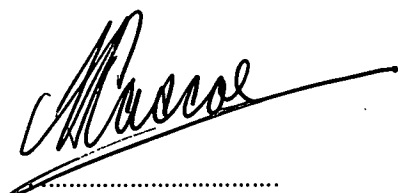
Review of effectiveness

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:

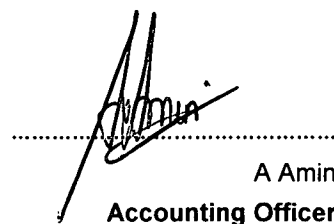
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised on the implications of the result of the review of the system of internal control by the Audit 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 6th December 2019 and signed on its behalf by:



J Pascoe
Chair


A Amin
Accounting Officer

ACADEMIES OF INSPIRATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Academies of Inspiration I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy Trust's 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 2018.

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 ESFA.



A Amin
Accounting Officer

6th December 2019

ACADEMIES OF INSPIRATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the Directors of Academies of Inspiration for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills 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 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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 that grants received from ESFA/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 6th December 2019 and signed on its behalf by:



J Pascoe
Chair

ACADEMIES OF INSPIRATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMIES OF INSPIRATION

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the Financial Statements of Academies of Inspiration for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter: Cessation of Operations

Attention is drawn to the disclosure within note 22 regarding the company's cessation of operations on 31 August 2019. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

ACADEMIES OF INSPIRATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMIES OF INSPIRATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' Report including the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

ACADEMIES OF INSPIRATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMIES OF INSPIRATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 19 December 2019

ACADEMIES OF INSPIRATION

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMIES OF INSPIRATION AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 2 February 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academies of Inspiration during the period 1 September 2018 to 31 August 2019 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 Academies of Inspiration and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academies of Inspiration and ESFA 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 Academies of Inspiration and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Academies of Inspiration's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Academies of Inspiration's funding agreement with the Secretary of State for Education dated 1 December 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. 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.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the Academy Trust in order to comply with its obligations under 2.9.6 of the Academies Financial Handbook 2018, issued by the ESFA.

ACADEMIES OF INSPIRATION

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMIES OF INSPIRATION AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.~~

**Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants**

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 19 December 2019

ACADEMIES OF INSPIRATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	9	-	91	100	40
Charitable activities:						
- Funding for educational operations	4	-	8,719	-	8,719	8,229
Other trading activities	5	278	-	-	278	264
Total		<u>287</u>	<u>8,719</u>	<u>91</u>	<u>9,097</u>	<u>8,533</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	567	9,095	462	10,124	9,247
Total	6	<u>567</u>	<u>9,095</u>	<u>462</u>	<u>10,124</u>	<u>9,247</u>
Net expenditure		(280)	(376)	(371)	(1,027)	(714)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(704)	-	(704)	685
Net movement in funds		(280)	(1,080)	(371)	(1,731)	(29)
Reconciliation of funds						
Total funds brought forward		803	(3,396)	49,255	46,662	46,691
Total funds carried forward		<u>523</u>	<u>(4,476)</u>	<u>48,884</u>	<u>44,931</u>	<u>46,662</u>

ACADEMIES OF INSPIRATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

SUPPLEMENTARY NOTE:
COMPARATIVE INFORMATION FOR THE
YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	3	14	-	26	40
Charitable activities:					
- Funding for educational operations	4	-	8,229	-	8,229
Other trading activities	5	264	-	-	264
Total		<u>278</u>	<u>8,229</u>	<u>26</u>	<u>8,533</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	282	8,538	427	9,247
Total	6	<u>282</u>	<u>8,538</u>	<u>427</u>	<u>9,247</u>
Net expenditure		(4)	(309)	(401)	(714)
Transfers between funds	16	-	(31)	31	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	685	-	685
Net movement in funds		(4)	345	(370)	(29)
Reconciliation of funds					
Total funds brought forward		807	(3,741)	49,625	46,691
Total funds carried forward		<u>803</u>	<u>(3,396)</u>	<u>49,255</u>	<u>46,662</u>

ACADEMIES OF INSPIRATION

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		48,878		49,255
Current assets					
Debtors	13	266		134	
Cash at bank and in hand		1,038		1,226	
		<u>1,304</u>		<u>1,360</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(723)		(508)	
Net current assets			581		852
Net assets excluding pension liability			49,459		50,107
Defined benefit pension scheme liability	18		(4,528)		(3,445)
Total net assets			<u>44,931</u>		<u>46,662</u>
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			48,884		49,255
- Restricted income funds			52		49
- Pension reserve			(4,528)		(3,445)
Total restricted funds			44,408		45,859
Unrestricted income funds	16		523		803
Total funds			<u>44,931</u>		<u>46,662</u>

The Financial Statements on pages 19 to 41 were approved by the Trustees and authorised for issue on 6th December 2019 and are signed on their behalf by:



J Pascoe
Chair

Company Number 08349962

ACADEMIES OF INSPIRATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash used in operating activities	19	(194)	(65)
Cash flows from investing activities			
Capital grants from DfE Group		91	26
Purchase of tangible fixed assets		(85)	(56)
Net cash provided by/(used in) investing activities		6	(30)
Net decrease in cash and cash equivalents in the reporting period		(188)	(95)
Cash and cash equivalents at beginning of the year		1,226	1,321
Cash and cash equivalents at end of the year		1,038	1,226

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

The Financial Statements of the Academy 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 Financial Statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Academies of Inspiration meets the definition of a public benefit entity under FRS 102.

1.2 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 charitable company to continue as a going concern. On the 1 September 2019 the operations and activities and the assets and liabilities of Oaks Park High School (formerly Stanley Park High) transferred into the Cheam Academies Network (company number 07588097 registered in England and Wales) for £nil consideration. With effect from 1 September 2019, Academies of Inspiration was dormant other than dealing with matters connected with the transfer and statutory and regulatory obligations.

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the Financial Statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

Leasehold Land and buildings	125 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 years straight line

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.

1.6 Liabilities

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 Academy 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions benefits

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

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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 quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 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 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.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

2 Critical accounting estimates and areas of judgement

Accounting 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 Academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	91	91	26
Other donations	9	-	9	14
	<u>9</u>	<u>91</u>	<u>100</u>	<u>40</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	7,117	7,117	6,651
Other DfE group grants	-	519	519	450
	<u>-</u>	<u>7,636</u>	<u>7,636</u>	<u>7,101</u>
Other government grants				
Local authority grants	-	943	943	981
	<u>-</u>	<u>943</u>	<u>943</u>	<u>981</u>
Other funding				
Other incoming resources	-	140	140	147
	<u>-</u>	<u>140</u>	<u>140</u>	<u>147</u>
Total funding	<u>-</u>	<u>8,719</u>	<u>8,719</u>	<u>8,229</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Income from facilities and services	265	-	265	243
Catering income	7	-	7	21
Other income	6	-	6	-
	<u>278</u>	<u>-</u>	<u>278</u>	<u>264</u>

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2019 £'000	2018 £'000
Academy's educational operations					
- Direct costs	6,413	369	773	7,555	6,944
- Allocated support costs	1,240	711	618	2,569	2,303
	<u>7,653</u>	<u>1,080</u>	<u>1,391</u>	<u>10,124</u>	<u>9,247</u>

The charitable company is a Multi Academy Trust. During the period covered by these accounts, the only academy operated was Oaks Park High School and all expenditure quoted above relates exclusively to Oaks Park High School.

Net income/(expenditure) for the year includes:	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	8	8
- Other services	9	6
Operating lease rentals	35	12
Depreciation of tangible fixed assets	462	426
Net interest on defined benefit pension liability	87	94

Included within expenditure are the following transactions:

	2019 £
Gifts made by the Academy Trust - total	<u>600</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the year was £600 (and not £600k).

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	550	7,005	7,555	6,944
Support costs				
Educational operations	17	2,552	2,569	2,303
	<u>567</u>	<u>9,557</u>	<u>10,124</u>	<u>9,247</u>
Analysis of costs			2019 £'000	2018 £'000
Direct costs				
Teaching and educational support staff costs			6,413	5,924
Staff development			30	20
Depreciation			369	336
Technology costs			118	90
Educational supplies and services			341	279
Examination fees			138	125
Educational consultancy			146	170
			<u>7,555</u>	<u>6,944</u>
Support costs				
Support staff costs			948	785
Defined benefit pension scheme - staff costs (FRS102 adjustment)			292	262
Depreciation			93	90
Maintenance of premises and equipment			103	146
Cleaning			143	135
Energy costs			190	166
Rent, rates and other occupancy costs			152	143
Insurance			30	30
Catering			75	76
Defined benefit pension scheme - finance costs (FRS102 adjustment)			87	94
Other support costs			426	360
Governance costs			30	16
			<u>2,569</u>	<u>2,303</u>

8 Central services

The charitable company is a Multi Academy Trust. During the period covered by these accounts, the only academy operated was Oaks Park High School. No central services were provided by the Academy Trust during the year and no central charges arose.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	5,105	4,915
Social security costs	483	507
Pension costs	933	873
Defined benefit pension scheme - staff costs (FRS102 adjustment)	292	262
	<u>6,813</u>	<u>6,557</u>
Agency staff costs	840	414
	<u>7,653</u>	<u>6,971</u>

Staff numbers

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

	2019 Number	2018 Number
Teachers	79	79
Administration and support	69	65
Management	8	6
	<u>156</u>	<u>150</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	76	77
Administration and support	58	52
Management	8	5
	<u>142</u>	<u>134</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	5	4
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
	<u>7</u>	<u>5</u>

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £668,050 (2018: £530,186).

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

D Taylor (Headteacher - Resigned April 2019):

- Remuneration: £75,000 - £80,000 (2018: £110,000 - £115,000)
- Employer's pension contributions: £10,000 - £15,000 (2018: £15,000 - £20,000)

A Amin (Headteacher):

- Remuneration: £85,000 - £90,000 (2018: not appointed in year)
- Employer's pension contributions: £10,000 - £15,000 (2018: not appointed in year)

During the year, expenses totalling £1,143 (2018: £1,267) were reimbursed or paid directly to 3 Trustees (2018: 2 Trustee). Of this, £679 (2018: £1,203) related to reimbursement in respect of costs incurred in the performance of duties of employment.

Other related party transactions involving the Trustees are set out within the related parties note.

11 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2019 was £146 (2018: £156). The cost of this insurance is included in the total insurance cost.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Leasehold Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2018	48,829	255	700	49,784
Additions	16	69	-	85
At 31 August 2019	48,845	324	700	49,869
Depreciation				
At 1 September 2018	284	122	123	529
Charge for the year	284	108	70	462
At 31 August 2019	568	230	193	991
Net book value				
At 31 August 2019	48,277	94	507	48,878
At 31 August 2018	48,545	133	577	49,255

13 Debtors

	2019 £'000	2018 £'000
Trade debtors	8	36
VAT recoverable	106	8
Prepayments and accrued income	152	90
	266	134

14 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	268	79
Other taxation and social security	139	129
Other creditors	123	109
Accruals and deferred income	193	191
	723	508

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Deferred income	2019	2018
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	137	116
		<u> </u>	<u> </u>
	Deferred income at 1 September 2018	116	119
	Released from previous years	(116)	(119)
	Resources deferred in the year	137	116
		<u> </u>	<u> </u>
	Deferred income at 31 August 2019	137	116
		<u> </u>	<u> </u>

The deferred income at 31 August 2019 represents funding in respect of Rates funding in advance of £54k (2018: £53k), educational visits relating to the next financial year of £59k (2018: £47k) and unspent 16-19 Bursary grant income of £24k (2018: £16k).

16	Funds	Balance at			Gains,	Balance at
		1 September			losses and	31 August
		2018	Income	Expenditure	transfers	2019
		£'000	£'000	£'000	£'000	£'000
	Restricted general funds					
	General Annual Grant (GAG)	-	7,117	(7,117)	-	-
	Other DfE / ESFA grants	15	190	(205)	-	-
	Pupil Premium	-	329	(329)	-	-
	Other government grants	-	943	(943)	-	-
	Other restricted funds	34	140	(122)	-	52
	Pension reserve	(3,445)	-	(379)	(704)	(4,528)
		<u>(3,396)</u>	<u>8,719</u>	<u>(9,095)</u>	<u>(704)</u>	<u>(4,476)</u>
	Restricted fixed asset funds					
	Inherited on conversion	49,192	-	(408)	-	48,784
	DfE group capital grants	31	91	(41)	-	81
	Capital expenditure from GAG and other funds	32	-	(13)	-	19
		<u>49,255</u>	<u>91</u>	<u>(462)</u>	<u>-</u>	<u>48,884</u>
	Total restricted funds	45,859	8,810	(9,557)	(704)	44,408
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds					
	General funds	803	287	(567)	-	523
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	46,662	9,097	(10,124)	(704)	44,931
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

The charitable company is a Multi Academy Trust. During the period covered by these accounts, the only academy operated was Oaks Park High School and all funds quoted above relate exclusively to Oaks Park High School.

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

The Restricted General Funds are used to fund the general operating costs of the Trust.

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 2019.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £48,878k, plus unspent capital grant of £6k. When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,651	(6,620)	(31)	-
Other DfE / ESFA grants	-	114	(99)	-	15
Pupil Premium	-	336	(336)	-	-
Other government grants	-	981	(981)	-	-
Other restricted funds	33	147	(146)	-	34
Pension reserve	(3,774)	-	(356)	685	(3,445)
	<u>(3,741)</u>	<u>8,229</u>	<u>(8,538)</u>	<u>654</u>	<u>(3,396)</u>
Restricted fixed asset funds					
Transfer on conversion	49,600	-	(408)	-	49,192
DfE group capital grants	18	26	(13)	-	31
Capital expenditure from GAG and other funds	7	-	(6)	31	32
	<u>49,625</u>	<u>26</u>	<u>(427)</u>	<u>31</u>	<u>49,255</u>
Total restricted funds	<u>45,884</u>	<u>8,255</u>	<u>(8,965)</u>	<u>685</u>	<u>45,859</u>
Unrestricted funds					
General funds	<u>807</u>	<u>278</u>	<u>(282)</u>	<u>-</u>	<u>803</u>
Total funds	<u>46,691</u>	<u>8,533</u>	<u>(9,247)</u>	<u>685</u>	<u>46,662</u>

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	48,878	48,878
Current assets	523	775	6	1,304
Creditors falling due within one year	-	(723)	-	(723)
Defined benefit pension liability	-	(4,528)	-	(4,528)
Total net assets	<u>523</u>	<u>(4,476)</u>	<u>48,884</u>	<u>44,931</u>

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£'000	General	Fixed asset	£'000
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	49,255	49,255
Current assets	803	557	-	1,360
Creditors falling due within one year	-	(508)	-	(508)
Defined benefit pension liability	-	(3,445)	-	(3,445)
Total net assets	803	(3,396)	49,255	46,662

18 Pension and similar obligations

The Academy Trust'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 London Borough of Sutton. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £121k (2018: £106k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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 2016 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 5 March 2019.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay; and
- the assumed real rate of return is 2.4% in excess of prices. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

Scheme Changes

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £533k (2018: £542k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 27.5% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	400	323
Employees' contributions	90	76
Total contributions	490	399

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.65	3.8
Rate of increase for pensions in payment/inflation	2.15	2.3
Discount rate for scheme liabilities	1.9	2.7
CPI Inflation rate	2.15	2.3
RPI Inflation rate	3.15	3.3

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

	2019 Years	2018 Years
Retiring today		
- Males	23.4	24.5
- Females	24.8	26.1
Retiring in 20 years		
- Males	25.1	26.8
- Females	26.7	28.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate + 0.1%	6,013	4,358
Discount rate - 0.1%	6,376	4,619
Mortality assumption + 1 year	6,420	4,630
Mortality assumption - 1 year	5,972	4,348
Salary increase + 0.1%	6,218	4,509
Salary increase - 0.1%	6,166	4,465
Pension increase + 0.1%	6,350	4,597
Pension increase - 0.1%	6,039	4,380

Defined benefit pension scheme net liability

Scheme assets	1,664	1,149
Scheme obligations	(6,192)	(4,594)
Net liability	(4,528)	(3,445)

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

The Academy Trust's share of the assets in the scheme

	2019 Fair value £'000	2018 Fair value £'000
Equities	998	778
Bonds	134	105
Gilts	322	153
Cash	1	18
Property	196	95
Other assets	13	-
Total market value of assets	1,664	1,149

The actual return on scheme assets was £88,000 (2018: £29,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	599	585
Past service cost	92	-
Interest income	(36)	(22)
Interest cost	124	116
Total operating charge	779	679

Changes in the present value of defined benefit obligations

	2019 £'000
At 1 September 2018	4,594
Current service cost	599
Interest cost	124
Employee contributions	90
Actuarial loss/(gain)	755
Benefits paid	(62)
Past service cost	92
At 31 August 2019	6,192

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000
At 1 September 2018	1,149
Interest income	36
Actuarial gain	51
Employer contributions	400
Employee contributions	90
Benefits paid	(62)
At 31 August 2019	1,664

19 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £'000	2018 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,027)	(714)
Adjusted for:		
Capital grants from DfE and other capital income	(91)	(26)
Defined benefit pension costs less contributions payable	292	262
Defined benefit pension scheme finance cost	87	94
Depreciation of tangible fixed assets	462	426
(Increase) in debtors	(132)	(29)
Increase/(decrease) in creditors	215	(78)
Net cash used in operating activities	(194)	(65)

20 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	27	25
Amounts due in two and five years	12	40
	39	65

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Related party transactions

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 9.

22 Post balance sheet events

On 1 September 2019 the operations and activities and the assets and liabilities of Oaks Park High School (formerly Stanley Park High) transferred into the Cheam Academies Network (company number 07588097 registered in England and Wales) for £nil consideration. With effect from 1 September 2019, Academies of Inspiration was dormant other than dealing with matters connected with the transfer and statutory and regulatory obligations.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Trust had £16k of unspent funds brought forward, received £28k (2018: £24k) and disbursed £19k (2018: £15k) from the fund. An administration charge of £1k (2018: £Nil) was made leaving an amount of £24k (2018: 16k) included within creditors: amounts falling due in less than one year, relating to undistributed funds that are repayable to the ESFA.