

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 2018



ACADEMIES OF INSPIRATION

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ACADEMIES OF INSPIRATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members

H Betterton
J Pascoe
R Sammons (resigned 6 Nov 2017)
D Watson (appointed 15 May 2018)

Trustees (Directors)

M Davies
J Pascoe - Chair
D Taylor
J Watson (appointed 31 March 2018)

Core Leadership Team

Chief Executive Officer
Headteacher
Associate Headteacher
Head of Trade School
Head of Horizon School
Head of World School
Head of Performance School

D Taylor
D Taylor
C Symons
A Amin
C Symons
J Humphrey
P Stapleton

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 2018

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 2018. 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 2017/18 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 1235 in the school census on 18 May 2018.

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.

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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.

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.

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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	£6,295,000
Percentage of the total pay bill spent on facility time	0.36%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	10%
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Related Parties and other Connected Charities and Organisations

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

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

Objectives and activities

Stanley Park High Journey

Stanley Park High was designated one of the few 'One School Pathfinders' as a part of the Building Schools for the Future Programme in July 2006. A requirement of the Pathfinder Schools was that they had to be innovative in terms of leadership structures, curriculum design, learning and teaching, learning spaces and IT/media provision; they were also tasked with the mission to act as role models, and provide support and inspiration for others.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities 2017-18

The main objectives during the last period were to:

- Continue to emphasise the health, safety and wellbeing of our students and teachers
- Continue to develop curricula, pedagogy that engages and enthuses students and teachers, whilst being mindful of the changes being introduced in our examination system
- Continue to put students first, by providing them with choice and a voice, and by allowing them to follow their passions
- Continue to develop immersive learning environments
- Continue to invest in the professional learning of members of staff via the introduction of our Personalised Learning Journal Programme

Strategic report

Achievements and performance

At both Level 2 (GCSE) and Level 3 (A Level) all subjects are undergoing significant changes with qualifications having 'higher expectations' and requiring 'more rigour', with many of the changes having a disproportionate impact on the Trust because of the structures and practices operating within the school.

The achievements and performance of the Trust should be considered beyond the narrow range indicators that are the results in public examinations of students aged 16 and 18. The Trust has always considered that it has been required to take risks and to innovate in order to bring about long-term improvement, often in areas that are not conducive to being easily measurable. This has resulted in us not focusing on short-term performance accountability systems.

Key Performance Indicators

This year, many more 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.

A limited number of GCSEs continued to be examined under the old system for the final year. There is, however, some evidence to suggest that there may have been some uplift in demand this year in preparation for the new GCSEs next year by which time all subjects will have switched to the new specifications.

Despite the above, 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 measure 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 2018 cohort was our least able in terms of average key stage 2 points score (27.9), compared to a 28.4 in 2017.

Progress 8 – The provisional Progress 8 Score for 2018 is -0.62. This is an increase on the score for 2017 which was -0.79, but still below the official floor standard set at -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 2018 is 39.10, a very slight decrease from 2017 when it was 39.50. The A8 figure must 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.

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

In 2017, only 19% of our students took the combination of subjects that make up the English Baccalaureate. Consequently, 100% of the students that took the English Baccalaureate passed it. In 2018, once again, only 19% of our students (36 students) were entered for this group of subjects. 78% achieved a pass.

English and Mathematics - The % of students achieving a 4+ (old C grade) in GCSE English Language fell slightly from 67% in 2017 to 65% in 2018. The % achieving 5+ decreased from 51% in 2017, to 43% in 2018.

English Literature results showed an increase on 2017 with 65% of students achieving 4+ (61% in 2017) and 46% achieving 5+ (43% in 2017). 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 69% 4+ and 52% 5+ (compared to 71% 4+ and 56% 5+ in 2017).

In Mathematics, results showed a slight increase on 2017 with 62% of students achieving 4+ (59% in 2017) and 32% achieving 5+ (31% in 2017). The % of students achieving grade 5 and above in both English and Mathematics decreased slightly from 28% in 2017 to 26% in 2018.

Stanley Park High has always believed in allowing students a free choice of subjects to study at GCSEs. Consequently, we have a large number of students who do not meet the Government criteria by which the Progress 8 score is calculated.

In 2018, out of 192 students, 13 students were excluded from the Progress 8 measure. This left 179 entries.

From this

132 students were entered for the maximum 10 slots

9 students did not have their English score doubled

5 students had nothing in their Maths basket

54 students had one empty Ebacc slot and 4 students had three empty Ebacc slots

3 students have three empty Other slots, 6 students have two empty Other slots and 6 students have one empty Other slot

In 2017 out of 201 students:

143 students were entered for the maximum 10 subject slots

4 students had nothing in their English basket and 8 students did not have their English score doubled

10 students had nothing in their Maths basket

44 students had one empty EBacc slot, 5 students had two empty EBacc slots and 5 students had three empty EBacc slots,

3 students had three empty Other slots, 4 students had two empty Other slots and 9 students had one empty Other slot

Therefore, we were hit harder this year in terms of not filling the baskets than last year.

Attainment – Key Stage 5

This was the first Year 13 cohort to sit the newly reformed A Level courses. Results in A Levels alone saw a decrease from 2017, particularly at the higher end. The percentage of students achieving A*-B decreased from 22% in 2017 to 15% in 2018. A*-C decreased from 42% last year to 33% this year. However, the overall pass rate A*-E only saw a slight decrease from 84% in 2017 to 81% in 2018. Much of these decreases can be attributed to the tougher specifications and removal of coursework and controlled assessment units. When taking into account our BTEC courses, a similar picture emerges. The largest decrease in attainment is at the higher end with students achieving A*-B dropping from 41% in 2017 to 21% in 2018. The overall pass rate A*-E showed a very small increase from 90% to 91%. Like A Levels, BTEC courses this year were newly reformed and included an examined element. This may account for the fact that whilst students are passing, fewer students are achieving merits and distinctions than in previous years.

Broader Performance Indicators

The Trust is delighted by the fact that increasing numbers of parents are buying in to the vision and practice of Stanley Park High. For the September 2017 year 7 intake 250 parents placed Stanley Park High as their first choice school, up from 168 in 2016 and 164 in 2015. The overall number of applicants (any preference) also increased to 901, up from 711 (2016) and 708 (2015). For September 2018, there were 234 first choice applications, but the overall numbers increased to 931.

Attendance for the academic year 2017-2018 was 94.2% which is in line with the national average.

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In 2017-2018 the average number of students late per day was 14.

In the summer of 2018 96% of our students moved onto education, employment or training. This is slightly above the national average.

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 November 2015 and was graded good overall, but with outstanding features. At a time of rising concerns about inclusivity in schools, we are proud that Stanley Park High's unique Opportunity Bases, Aqua and Ignis, for students with an EHCP for Autism, are judged to be outstanding.

Our professional learning centre, SPIRA, continues to provide excellent training opportunities for our staff and colleagues from at home and overseas. We are particularly delighted that many schools are seeking to reimagine schooling and have sought our expertise to support them in this process. This has included presentations to leaders in Carmarthenshire, the Isle of Man, Australia, New Zealand, Denmark and Israel.

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.

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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.

The following balances held were held at 31 August;

Fund	Category	2018 £'000	2017 £'000
GAG	Restricted General Funds	0	0
Other DfE/ESFA Grants	Restricted General Funds	15	0
Other Government Grants	Restricted General Funds	0	0
Other Income	Restricted General Funds	<u>34</u>	<u>33</u>
Sub-total	General Restricted Funds	49	33
Other Income	Unrestricted General Fund	<u>803</u>	<u>807</u>
Sub-Total	Spendable Funds	852	840
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	49,255	49,625
Share of LGPS Deficit	Restricted Pension Reserve	<u>(3,445)</u>	<u>(3,774)</u>
Total	All Funds	<u>46,662</u>	<u>46,691</u>

During the year under review, there was a surplus of £47k on general restricted funds, a deficit of £4k on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall deficit of £714k.

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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.

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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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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 for 2017-18

The Trust currently comprises one school, Stanley Park High. In 2017-18, the school continued with its desire to create a culture in education that is creative, reflective and evidence informed. Great strides were taken to meet one of our key objectives which is to improve the professional learning of all members of staff. This primarily involved staff creating their own Professional Learning Journals over the course of the year which allowed them to take control and reflect on their own development. In the summer term of 2018, the staff presentation of their journals to colleagues was highly successful and feedback indicates this is an approach staff truly valued.

The school also took a new approach to improvement in the form of Future Think Tanks during the last academic year. A large number of staff were involved in these and they again provided the opportunity to research and reflect on key areas identified for whole school improvement. All think tanks had the primacy of relationships at their core and the groups presented their proposals to staff and governors at the end of the year. Some of these proposals will now lead to further consultations and implementation in the next academic year. This includes a forthcoming consultation on a two week October half term as well as the possibility of introducing subject based conferences for students from February 2019, to complement our already successful Student Led Conferences. The number of Future Think tanks has increased for September 2018 and it is hoped that more staff will participate this year, with even greater success.

Whilst the Professional Learning Journals and Future Think Tanks have allowed the school to take an innovative approach in terms of staff development and some aspects of whole school improvement, it is sometimes difficult to see the impact of this directly on raising student outcomes.

Plans for future periods

Moving forward, the school recognises that much more needs to be done to improve outcomes at the end of Key Stages 4 and 5, which have been disappointing for the past two years. Whilst there are some valid reasons which have contributed to this fall, including staffing issues, more challenging GCSE specifications etc., we must begin to focus more efforts on ensuring our students have the best possible chances in life.

From September 2018, significant changes have been made to the senior leadership team at Stanley Park High. This has included the appointment of a new Acting Executive Headteacher, as well as two new Heads of School. The team have made it clear that their priority is to raise overall outcomes across the school, whilst maintaining and continuing to work within our vision and values in which we all firmly believe. The trust believes that whilst we can continue to be creative and innovative in our practice, there must be greater focus on raising standards across the school, and work must be done to begin to meet national accountability measures in terms of pupil performance. The Trust recognises the importance of collaboration and believes that a great trust, which we hope to be, has a tight vision and a clear idea about how it can help, but it also recognises that others provide the opportunity for it to learn and improve. We are fully aware of the areas we need to develop and where others can help. The schools leadership team have developed plans to improve outcomes. This includes the development of supportive and constructive partnerships with other schools, both locally and nationally, as well as with the community, with the overall aim to raise standards at all levels and safeguard the future of the trust.

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Funds held as custodian trustee on behalf of others

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

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 13 December 2018 and signed on its behalf by:


.....
J Pascoe
Chair

ACADEMIES OF INSPIRATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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)	3	3
Mike Davies	3	3
David Taylor	3	3
Joan Watson (appointed 31 March 2018)	1	1

Joan Watson was appointed to the Board of Trustees on 31 March 2018; 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 2017 to 31 August 2018. Attendance at meetings was as follows:

Governors	Meetings attended	Out of possible
Latifa Hassanali (Chair)	3	3
Jane Pascoe (Trustee)	1	3
David Taylor (Headteacher)	2	3
Helen Harwood	3	3
Tony Thorpe	3	3
Paula Wells	3	3
Dimple Patel	3	3
Maria Walker	3	3
Andrew Roper	2	3
Sue Spenceley-Burch	2	3
Charles Patey	2	3
Karen O'Kill	1	3
Kylie Hurrell	2	2
Philip Tarr	3	3

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GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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
David Taylor (Trustee)	3	3
Jane Pascoe (Trustee)	2	3
Latifa Hassanali	1	3
Karen O'Kill	3	3
Dimple Patel	3	3
Charles Patey	3	3
Philip Tarr	2	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 twice during the year. One member Richard Sammons did not participate during 2017-18. He expressed a wish to resign on 6 November 2017. Recruitment efforts were successful when David Watson was appointed 15 May 2018, after the final meeting of the academic year. Attendance at meetings in 2017-18 was as follows:

Governors	Meetings attended	Out of possible
Andrew Roper (LGB)	2	2
Tony Thorpe (LGB)	2	2
Richard Sammons (resigned 6 Nov 2017)	0	2
David Watson (Trust Member)	0	0

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 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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

ACADEMIES OF INSPIRATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 17 to 31 August 18 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:

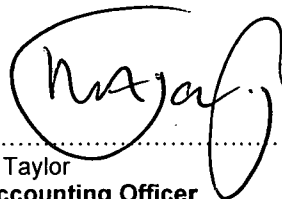
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 13 December 2018 and signed on its behalf by:



J Pascoe
Chair



D Taylor
Accounting Officer

ACADEMIES OF INSPIRATION

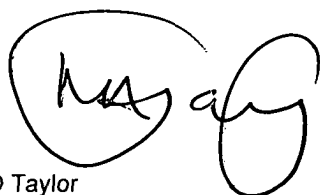
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017.

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 2017.

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.



D Taylor
Accounting Officer

13 December 2018

ACADEMIES OF INSPIRATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued 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 2017 to 2018;
- 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 13 December 2018 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 2018

Opinion

We have audited the Financial Statements of Academies of Inspiration for the year ended 31 August 2018 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 2017 to 2018 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 2018 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 2017 to 2018.

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.

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.

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

ACADEMIES OF INSPIRATION

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

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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.

ACADEMIES OF INSPIRATION

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

FOR THE YEAR ENDED 31 AUGUST 2018

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: 17 December 2018

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 2018

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 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 trust in order to comply with its obligations under 2.4.9 of the Academies Financial Handbook 2017, 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 2018

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 2017 to 31 August 2018 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: 17 December 2018

ACADEMIES OF INSPIRATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	14	-	26	40	54
Donations - transfer from local authority on conversion		-	-	-	-	47,444
Charitable activities:						
- Funding for educational operations	4	-	8,229	-	8,229	6,104
Other trading activities	5	264	-	-	264	151
Total		<u>278</u>	<u>8,229</u>	<u>26</u>	<u>8,533</u>	<u>53,753</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	282	8,538	427	9,247	6,523
Total	6	<u>282</u>	<u>8,538</u>	<u>427</u>	<u>9,247</u>	<u>6,523</u>
Net income/(expenditure)		(4)	(309)	(401)	(714)	47,230
Transfers between funds	16	-	(31)	31	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	685	-	685	(539)
Net movement in funds		(4)	345	(370)	(29)	46,691
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>	<u>46,691</u>

ACADEMIES OF INSPIRATION

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

FOR THE YEAR ENDED 31 AUGUST 2018

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total 2017 £'000
Income and endowments from:					
Donations and capital grants	3	28	-	26	54
Donations - transfer from local authority on conversion		819	(3,068)	49,693	47,444
Charitable activities:					
- Funding for educational operations	4	-	6,104	-	6,104
Other trading activities	5	151	-	-	151
Total		<u>998</u>	<u>3,036</u>	<u>49,719</u>	<u>53,753</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	191	6,229	103	6,523
Total	6	<u>191</u>	<u>6,229</u>	<u>103</u>	<u>6,523</u>
Net income/(expenditure)		807	(3,193)	49,616	47,230
Transfers between funds	16	-	(9)	9	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(539)	-	(539)
Net movement in funds		807	(3,741)	49,625	46,691
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>807</u>	<u>(3,741)</u>	<u>49,625</u>	<u>46,691</u>

ACADEMIES OF INSPIRATION

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12	49,255	49,625
Current assets			
Debtors	13	134	105
Cash at bank and in hand		1,226	1,321
		1,360	1,426
Current liabilities			
Creditors: amounts falling due within one year	14	(508)	(586)
Net current assets		852	840
Net assets excluding pension liability		50,107	50,465
Defined benefit pension scheme liability	18	(3,445)	(3,774)
Total net assets		46,662	46,691
Funds of the Academy Trust:			
Restricted funds	16		
- Fixed asset funds		49,255	49,625
- Restricted income funds		49	33
- Pension reserve		(3,445)	(3,774)
Total restricted funds		45,859	45,884
Unrestricted income funds	16	803	807
Total funds		46,662	46,691

The Financial Statements on pages 22 to 45 were approved by the Trustees and authorised for issue on 13 December 2018 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 2018

	Notes	2018 £'000	£'000	2017 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(65)		511
Cash funds transferred on conversion			-		819
			(65)		1,330
Cash flows from investing activities					
Capital grants from DfE Group		26		26	
Purchase of tangible fixed assets		(56)		(35)	
Net cash used in investing activities			(30)		(9)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(95)		1,321
Cash and cash equivalents at beginning of the year			1,321		-
Cash and cash equivalents at end of the year			1,226		1,321

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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, ie 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. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.3 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 2018

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.

Governance costs

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

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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.

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.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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.

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.

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.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018. 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.

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 2018 £'000	Total 2017 £'000
Capital grants	-	26	26	26
Other donations	14	-	14	28
	<u>14</u>	<u>26</u>	<u>40</u>	<u>54</u>

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	6,651	6,651	5,115
Other DfE group grants	-	450	450	227
	<u>-</u>	<u>7,101</u>	<u>7,101</u>	<u>5,342</u>
Other government grants				
Local authority grants	-	981	981	694
	<u>-</u>	<u>981</u>	<u>981</u>	<u>694</u>
Other funding				
Visits income	-	127	127	48
Other incoming resources	-	20	20	20
	<u>-</u>	<u>147</u>	<u>147</u>	<u>68</u>
Total funding	<u>-</u>	<u>8,229</u>	<u>8,229</u>	<u>6,104</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Income from facilities and services	243	-	243	151
Catering income	21	-	21	-
	<u>264</u>	<u>-</u>	<u>264</u>	<u>151</u>

6 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2018 £'000	Total 2017 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	5,924	336	684	6,944	5,100
- Allocated support costs	1,047	710	546	2,303	1,423
	<u>6,971</u>	<u>1,046</u>	<u>1,230</u>	<u>9,247</u>	<u>6,523</u>

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

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Expenditure

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	8	9
- Other services	6	5
Operating lease rentals	12	-
Depreciation of tangible fixed assets	426	103
Net interest on defined benefit pension liability	94	71

Included within expenditure are the following transactions:

	2018 £
Gifts made by the Academy Trust - total	300

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 £300 (and not £300k).

7 Central services

The charitable company is a Multi Academy Trust. During the period covered by these accounts, the only academy operated was Stanley Park High. 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 2018

8 Activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	256	6,688	6,944	5,100
Support costs				
Educational operations	26	2,277	2,303	1,423
	<u>282</u>	<u>8,965</u>	<u>9,247</u>	<u>6,523</u>
Analysis of costs			2018 £'000	2017 £'000
Direct costs				
Teaching and educational support staff costs			5,924	4,484
Staff development			20	8
Depreciation			336	82
Technology costs			90	76
Educational supplies and services			279	272
Examination fees			125	85
Educational consultancy			170	93
			<u>6,944</u>	<u>5,100</u>
Support costs				
Support staff costs			785	562
Defined benefit pension scheme - staff costs (FRS102 adjustment)			262	96
Depreciation			90	21
Maintenance of premises and equipment			146	101
Cleaning			135	102
Energy costs			166	130
Rent, rates and other occupancy costs			143	97
Insurance			30	21
Catering			76	51
Defined benefit pension scheme - finance costs (FRS102 adjustment)			94	71
Other support costs			360	157
Governance costs			16	14
			<u>2,303</u>	<u>1,423</u>

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	4,915	3,635
Social security costs	507	364
Pension costs	873	619
Defined benefit pension scheme - staff costs (FRS102 adjustment)	262	96
	<u>6,557</u>	<u>4,714</u>
Staff costs	6,557	4,714
Agency staff costs	414	398
Staff restructuring costs	-	30
	<u>6,971</u>	<u>5,142</u>
Total staff expenditure	6,971	5,142

Staff restructuring costs comprise:

Redundancy payments	-	30
	<u>-</u>	<u>30</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £30k)

Staff numbers

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

	2018 Number	2017 Number
Teachers	79	78
Administration and support	65	68
Management	6	7
	<u>150</u>	<u>153</u>

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

	2018 Number	2017 Number
Teachers	77	74
Administration and support	52	61
Management	5	7
	<u>134</u>	<u>142</u>

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	4	-
£80,001 - £90,000	-	1
£110,001 - £120,000	1	-
	<u>5</u>	<u>1</u>

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 £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 in the 12 month period of operation covered by these accounts (2017 - 9 months) was as follows:

D Taylor (Headteacher):

- Remuneration: £110,000 - £115,000 (2017 (9 months): £85,000 - £90,000)
- Employer's pension contributions: £15,000 - £20,000 (2017 (9 months): £10,000 - £15,000)

During the year, expenses totalling £1,267 (2017: £505) were reimbursed or paid directly to 2 Trustees (2017: 1 Trustee). Of this, £1,203 (2017: £505) 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 2018 was £156 (2017: £261). 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 2018

12 Tangible fixed assets

	Leasehold Land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 September 2017	48,829	199	700	49,728
Additions	-	56	-	56
At 31 August 2018	48,829	255	700	49,784
Depreciation				
At 1 September 2017	-	50	53	103
Charge for the year	284	72	70	426
At 31 August 2018	284	122	123	529
Net book value				
At 31 August 2018	48,545	133	577	49,255
At 31 August 2017	48,829	149	647	49,625

13 Debtors

	2018 £'000	2017 £'000
Trade debtors	36	-
VAT recoverable	8	-
Prepayments and accrued income	90	105
	134	105

14 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	79	-
Other taxation and social security	129	130
Other creditors	109	106
Accruals and deferred income	191	350
	508	586

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15	Deferred income	2018	2017
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	116	119
		<u>116</u>	<u>119</u>
	Deferred income at 1 September 2017	119	-
	Released from previous years	(119)	-
	Resources deferred in the year	116	119
		<u>116</u>	<u>119</u>
	Deferred income at 31 August 2018	116	119

The deferred income at 31 August 2018 represents funding in respect of Rates funding in advance of £53k (2017: £52k), educational visits relating to the next financial year of £47k (2017: £50k), unspent 16-19 Bursary grant income of £16k (2017: £7k) and STC facilities income of £nil (2017: £10k) received in advance.

16	Funds	Balance at			Gains,	Balance at
		1 September			losses and	31 August
		2017	Income	Expenditure	transfers	2018
		£'000	£'000	£'000	£'000	£'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	45,884	8,255	(8,965)	685	45,859
	Unrestricted funds					
	General funds	807	278	(282)	-	803
		<u>807</u>	<u>278</u>	<u>(282)</u>	<u>-</u>	<u>803</u>
	Total funds	46,691	8,533	(9,247)	685	46,662

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

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

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 2018.

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 £49,255k. 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 purposes.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

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

	Balance at 1 December 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	5,115	(5,106)	(9)	-
Other DfE / ESFA grants	-	7	(7)	-	-
Pupil Premium	-	220	(220)	-	-
Other government grants	-	694	(694)	-	-
Other restricted funds	-	68	(35)	-	33
Pension reserve	-	(3,068)	(167)	(539)	(3,774)
	-	3,036	(6,229)	(548)	(3,741)
Restricted fixed asset funds					
Transfer on conversion	-	49,693	(93)	-	49,600
DfE group capital grants	-	26	(8)	-	18
Capital expenditure from GAG and other funds	-	-	(2)	9	7
	-	49,719	(103)	9	49,625
Total restricted funds	-	52,755	(6,332)	(539)	45,884
Unrestricted funds					
General funds	-	998	(191)	-	807
Total funds	-	53,753	(6,523)	(539)	46,691

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 December 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	11,766	(11,726)	(40)	-
Other DfE / ESFA grants	-	121	(106)	-	15
Pupil Premium	-	556	(556)	-	-
Other government grants	-	1,675	(1,675)	-	-
Other restricted funds	-	215	(181)	-	34
Pension reserve	-	(3,068)	(523)	146	(3,445)
	-	11,265	(14,767)	106	(3,396)
Restricted fixed asset funds					
Transfer on conversion	-	49,693	(501)	-	49,192
DfE group capital grants	-	52	(21)	-	31
Capital expenditure from GAG and other funds	-	-	(8)	40	32
	-	49,745	(530)	40	49,255
Total restricted funds	-	61,010	(15,297)	146	45,859
Unrestricted funds					
General funds	-	1,276	(473)	-	803
Total funds	-	62,286	(15,770)	146	46,662

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 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

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 are represented by:				
Tangible fixed assets	-	-	49,625	49,625
Current assets	807	619	-	1,426
Creditors falling due within one year	-	(586)	-	(586)
Defined benefit pension liability	-	(3,774)	-	(3,774)
Total net assets	807	(3,741)	49,625	46,691

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 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £106k (2017: £104k) were payable to the schemes at 31 August 2018 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £542k (2017 (9 months): £384k).

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 26.5% for employers and 5.5% - 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 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	2018 £'000	2017 £'000
Employer's contributions	323	176
Employees' contributions	76	41
Total contributions	399	217
Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.8	4.2
Rate of increase for pensions in payment/inflation	2.3	2.7
Discount rate for scheme liabilities	2.7	2.6
CPI Inflation rate	2.3	2.7
RPI Inflation rate	3.3	3.6

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

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

	2018 Years	2017 Years
Retiring today		
- Males	24.5	24.4
- Females	26.1	26.0
Retiring in 20 years		
- Males	26.8	26.7
- Females	28.5	28.3

Scheme liabilities have been measured at £4,594k. In the event that assumptions changed as indicated, they would have been measured as follows:

	2018 £'000	2017 £'000
Discount rate + 0.1%	4,358	4,288
Discount rate - 0.1%	4,619	4,545
Mortality assumption + 1 year	4,630	4,556
Mortality assumption - 1 year	4,348	4,279
Salary increase + 0.1%	4,509	4,446
Salary increase - 0.1%	4,465	4,385
Pension increase + 0.1%	4,597	4,515
Pension increase - 0.1%	4,380	4,319

Defined benefit pension scheme net liability

Scheme assets	1,149	641
Scheme obligations	(4,594)	(4,415)
Net liability	(3,445)	(3,774)

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	778	415
Bonds	105	98
Gilts	153	76
Cash	18	1
Property	95	51
Total market value of assets	1,149	641

The actual return on scheme assets was £29,000 (2017: £69,000).

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	585	272
Interest income	(22)	(11)
Interest cost	116	82
Total operating charge	679	343

Changes in the present value of defined benefit obligations

	2018 £'000
At 1 September 2017	4,415
Current service cost	585
Interest cost	116
Employee contributions	76
Actuarial (gain)/loss	(598)
At 31 August 2018	4,594

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

	2018 £'000
At 1 September 2017	641
Interest income	22
Actuarial gain	87
Employer contributions	323
Employee contributions	76
At 31 August 2018	1,149

ACADEMIES OF INSPIRATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(714)	47,230
Adjusted for:		
Net surplus on conversion to academy	-	(47,444)
Capital grants from DfE/ESFA and other capital income	(26)	(26)
Defined benefit pension costs less contributions payable	262	96
Defined benefit pension net finance cost	94	71
Depreciation of tangible fixed assets	426	103
(Increase) in debtors	(29)	(105)
(Decrease)/increase in creditors	(78)	586
Net cash (used in)/provided by operating activities	(65)	511

20 Commitments under operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	25	-
Amounts due in two and five years	40	-
	65	-

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 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.

23 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 2018 the Trust received £24k (2017: £7k) and disbursed £15k (2017: £nil) from the fund. An amount of £16k (2017: £7k) is included within creditors: amounts falling due in less than one year relating to undistributed funds.