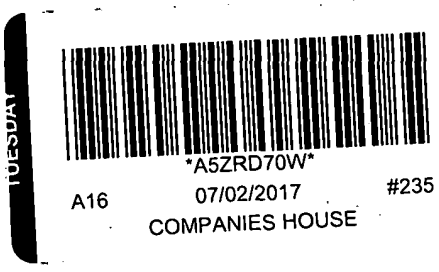
Registered number: 09202445 (England & Wales)

THE INSPIRE LEARNING FEDERATION

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



THE INSPIRE LEARNING FEDERATION
(A company limited by guarantee)

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THE INSPIRE LEARNING FEDERATION
(A company limited by guarantee)

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

Members	L Clarke T Sunderland M Treagus
Trustees	M Johnson E Cole K Godsall C Hooper (appointed 17 November 2015) C Lowe N Miles (resigned 16 November 2015) T Sunderland
Company registered number	09202445
Company name	The Inspire Learning Federation
Principal and registered office	Blackfield Primary School Hampton Lane Blackfield Hampshire S045 1AX
Independent auditors	Hopper Williams & Bell Limited Statutory Auditor Highland House Mayflower Close Chandlers Ford Eastleigh Hampshire SO53 4AR
Bankers	Lloyds Bank PLC PO Box 1000 BS1 1LT
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

j.broomfield

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

The Trust operates one primary school, one infant school and one nursery school in the New Forest. Its academies have a combined pupil capacity of 630 and had a roll of 590 in the school census on 6th October 2016. The Nursery has a capacity for 320 pupil session and currently 243 of these places are taken.

In addition to the Trustees listed above the following other key senior members of staff, which comprise the Strategic Leadership Team of the schools with the Academy Trust, are responsible for the day to day management Academy Trust's educational activities.

Blackfield Primary School

Executive Principal	Mrs C Lowe
Principal	Mr T Sasso
Director of Teaching and Learning	Mrs M Hooper

Fawley Infant School

Executive Principal	Mrs C Lowe
Principal	Mrs H Jakimavicius

Structure, governance and management

Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of The Inspire Learning Federation are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Inspire Learning Federation.

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.

j.broomfield

Trustees' Indemnities

Under the EFA's Risk Protection Arrangement, the Academy has insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees draws representation from the Academy Councils of the organisations within the Trust. The Chair of Chairs of all Academy Councils serves as an Academy Trustee. The Trustees have set up procedures that will enable regular reviews regarding the mix of skills that should be available to the Board. Where necessary, co-opted trustees will then be sought with these skills. It is anticipated that the great majority of co-opted trustees will be drawn from the local community who have shown an interest in the future well-being of the Academy Trust and its pupils. Recruitment is, therefore, likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the local area.

New Trustees will be appointed to the Board by the Members and the existing Trustees until the date of the next Annual General Meeting, at which time they are eligible for re-election for a period of four years. At the end of a four year term retiring Trustees are eligible for re-election for a further term.

Policies and Procedures Adopted for the Induction and Training of Trustees

Individual Trustees have made use of the expertise of established multi-academy trusts to increase their skills and knowledge, as well as attending courses organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. The Trust also subscribes to Hampshire Governor Services who provide a broad range of courses to support governance.

j.broomfield

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Inspire Learning Federation, and approving decisions reserved to Trustees as detailed in the scheme of delegation.

Key responsibilities include:

- Setting the values, aims and objectives of the Trust.
- Agreeing a policy framework for achieving the agreed aims and objectives.
- Appointing senior leaders of The Inspire Learning Federation academies.
- Defining and delegating responsibilities to the Academy Councils.

The Trustees meet as a Board six times each year. All decisions reserved to the Trustees are taken by the Board as a whole. The Academy Councils meet six times each year (half termly) to consider detailed matters about the individual academies, and, where appropriate, to make recommendations to the Board of Trustees.

Additionally, ad hoc groups of Trustees are established, as and when required, to consider specific issues and make recommendations to the Board.

There is currently one Academy Council in operation for each academy. Through the Scheme of Delegation detailed Terms of Reference for the Academy Councils have been agreed by The Inspire Learning Federation Board of Trustees. Their memberships are as follows:

Blackfield Primary School
Mr M Johnson (Chair), Mr T Sunderland (Vice-Chair), Mr R Johnson, Mr S Passfield, Mrs L Samuels, Mr K Westbrook, Mr R Hewett-Curl, Mrs B Bolger, Miss J Ashcroft, Mrs C Lowe, Mrs J Broomfield (Clerk)

Fawley Infant School
Mr D Payne (Chair), Mrs D Armitage, Mrs M Briant, Mrs D Osman, Ms M Langton, Mrs C Lowe, Mrs J Broomfield (Clerk)

Key responsibilities include:

Setting the strategic direction of the academies by:
- Ensuring the values, aims and objectives for the academies are aligned to those of The Inspire Learning Federation
- Implementing the policy framework for achieving the aims and objectives
- Setting statutory targets
- Agreeing the academy improvement plan

Challenging and supporting the academies by monitoring, reviewing and evaluating:
- The implementation and effectiveness of the policy framework
- Progress towards targets
- The implementation and effectiveness of the academy improvement plan

Ensuring accountability by
- Monitoring the academy's self-evaluation documentation
- Responding to Ofsted reports when necessary
- Holding the Principal to account for the performance of the academy
- Ensuring parents and pupils are involved, consulted and informed as appropriate
- Making available information to the local community

j.broomfield

Organisational Structure (continued)

The Executive Principal, Mrs C Lowe, is the Accounting Officer for The Inspire Learning Federation. She works closely with the other Trustees of the Academy Trust and the Strategic Leadership Team of the Inspire academies.

The day to day management of each academy rests with the Principal who is appointed by the Trustees. He or she works with his/her Academy Council to establish a leadership team which has both the skills and capacity to drive the academy improvement agenda.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

All key management personnel of the Trust and its academies are part of the Trust's performance management process. Targets are set at the beginning of the academic/financial year, reviewed mid-year with decisions taken regarding any possible increment taken at the end of the academic/financial year.

Recommendations for incremental pay increases are made by reviewers to the Strategic Leadership Team who moderate, amend if necessary, and then present to the Trustee's Pay Committee who ratify the recommendations.

The pay recommendation for the Executive Principal is made by the Trustee Committee responsible for the Executive Principal's Performance Management and forwarded to the Pay Committee.

Related Parties and other Connected Charities and Organisations

The academy trust is not part of a wider network.

Objectives and Activities

Objects and Aims

The charitable objectives for which The Inspire Learning Federation was established are set down in The Articles of Association as follows:

• To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the academies) offering a broad and balanced curriculum.

j.broomfield

Objectives, Strategies and Activities

The principal activity of The Inspire Learning Federation is currently to run a primary school and an infant school for boys and girls known as Blackfield Primary School and Fawley Infant School and a nursery school known as Blackfield Nursery.

The Inspire Learning Federation defines its mission and vision as follows:

Vision

Placing irresistible learning at the heart of educational transformation within a family of schools that share common values, expertise and innovation so as to give children every opportunity to succeed

Mission

We strive to be at the forefront of educational development, recognised for outstanding practice and to relentlessly pursue excellence.

We are compelled by a strong moral purpose to support and develop all children and staff within our family of schools to ensure that they make rapid progress and achieve success.

We offer environments of the highest quality to empower learning and create endless possibilities in ways which meet the needs of all.

We provide an innovative and a self-created infrastructure to free teaching and learning, ensure rapid response to need and allow safety, flexibility and fluidity.

Public Benefit

The Trustees have taken the Charity Commission's specific guidance on public benefit (contained within the guidance document "The advancement of education for the public benefit") into consideration in preparing their statements on public benefit contained within this Trustees' annual report.

Benefits and beneficiaries

In accordance with its charitable objectives, The Inspire Learning Federation strives to advance the education of the pupils attending the academies that operate through the Trust. The Academy Trust's primary beneficiaries are, therefore, the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout all of the Trust's academies.

Trustees' assessment of Public Benefit

In order to determine whether or not the Academy Trust has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of the Academy Trust's activities using the range of measures described above.

j.broomfield

Strategic report

Achievements, Performance and Key Performance Indicators

BLACKFIELD PRIMARY SCHOOL

Reading 2016 Year 2

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	70%	13%
Male	69%	19%
Female	71%	9%
Disadvantaged	61%	14%
Not Disadvantaged	78%	13%
SEND	0%	0%
Not SEND	75%	14%

Progress to ≥ Age Related Expectations from Emerging, Expected or Exceeding

Groups	Emerging	Expected	Exceeding
All	0%	82%	100%
Disadvantaged	0%	82%	100%

Writing 2016 Year 2

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	62%	12%
Male	58%	15%
Female	65%	9%
Disadvantaged	54%	14%
Not Disadvantaged	69%	9%
SEND	0%	0%
Not SEND	66%	13%

Progress to ≥ Age Related Expectations from Emerging, Expected or Exceeding

Groups	Emerging	Expected	Exceeding
All	13%	81%	100%
Disadvantaged	9%	88%	-%

Mathematics 2016 Year 2

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	72%	10%
Male	69%	15%
Female	74%	6%
Disadvantaged	54%	7%
Not Disadvantaged	88%	13%
SEND	0%	0%
Not SEND	77%	11%

Progress to ≥ Age Related Expectations from Emerging, Expected or Exceeding

Groups	Emerging	Expected	Exceeding
All	15%	89%	100%
Disadvantaged	20%	76%	-%

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Achievements, Performance and Key Performance Indicators (continued)

Phonics 2016
Achieving Pass in Year 1

Groups	Age Related Expectation
All	78%
Male	79%
Female	77%
Disadvantaged	58%
Not Disadvantaged	91%
SEND	20%
Not SEND	93%

Early Years 2016
Achieving GLD in Early Years

Groups	Age Related Expectation
All	69%
Male	71%
Female	65%
Disadvantaged	63%
Not Disadvantaged	67%

Reading 2016 Year 6

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	70%	23%
Male	72%	22%
Female	74%	26%
Disadvantaged	67%	7%
Not Disadvantaged	76%	32%
SEND	33%	0%
Not SEND	75%	26%

Progress to ≥ Age Related Expectations from Low, Middle or High Starting Points

Groups	Low	Middle	High
All	0%	68%	97%
Disadvantaged	0%	74%	86%

Writing 2016 Year 6

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	75%	9%
Male	77%	12%
Female	72%	6%
Disadvantaged	52%	3%
Not Disadvantaged	85%	12%
SEND	11%	0%
Not SEND	82%	10%

Progress to ≥ Age Related Expectations from Low, Middle or High Starting Points

Groups	Low	Middle	High
All	0%	74%	94%
Disadvantaged	0%	58%	71%

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Achievements, Performance and Key Performance Indicators (continued)

Mathematics 2016 Year 6

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	81%	19%
Male	81%	21%
Female	81%	17%
Disadvantaged	71%	13%
Not Disadvantaged	85%	22%
SEND	44%	0%
Not SEND	84%	20%

Progress to ≥ Age Related Expectations from Low, Middle or High Starting Points

Groups	Low	Middle	High
All	33%	80%	94%
Disadvantaged	40%	79%	71%

Combined 2016 Year 6

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	62%	4%
Male	61%	2%
Female	62%	6%
Disadvantaged	45%	0%
Not Disadvantaged	69%	6%
SEND	11%	0%
Not SEND	67%	4%

Progress to ≥ Age Related Expectations from Low, Middle or High Starting Points

Groups	Low	Middle	High
All	0%	51%	84%
Disadvantaged	0%	47%	57%

GPS 2016 Year 6

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	62%	18%
Male	65%	19%
Female	57%	17%
Disadvantaged	42%	3%
Not Disadvantaged	71%	25%
SEND	22%	0%
Not SEND	66%	20%

Progress to ≥ Age Related Expectations from Low, Middle or High Starting Points

Groups	Low	Middle	High
All	0%	52%	94%
Disadvantaged	0%	42%	71%

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Achievements, Performance and Key Performance Indicators (continued)

FAWLEY INFANT SCHOOL

Reading 2016 Year 2

Attainment Groups	≥ Age Related Expectation School	Greater Depth School
All	69%	17%
Male	62%	8%
Female	75%	25%
Disadvantaged	45%	9%
Not Disadvantaged	83%	22%
SEND	29%	0%
Not SEND	82%	23%

Progress to ≥ Age Related Expectations from Emerging, Expected or Exceeding

Groups	Emerging	Expected	Exceeding
All	20%	76%	100%
Disadvantaged	0%	71%	-%

Writing 2016 Year 2

Attainment Groups	> Age Related Expectation School	Greater Depth School
All	62%	10%
Male	54%	0%
Female	69%	19%
Disadvantaged	55%	0%
Not Disadvantaged	67%	17%
SEND	14%	0%
Not SEND	77%	14%

Progress to ≥ Age Related Expectations from Emerging, Expected or Exceeding

Groups	Emerging	Expected	Exceeding
All	30%	76%	100%
Disadvantaged	20%	83%	-%

Mathematics 2016 Year 2

Attainment Groups	> Age Related Expectation School	Greater Depth School
All	62%	10%
Male	54%	8%
Female	69%	13%
Disadvantaged	45%	17%
Not Disadvantaged	72%	0%
SEND	29%	0%
Not SEND	73%	14%

Progress to ≥ Age Related Expectations from Emerging, Expected or Exceeding

Groups	Emerging	Expected	Exceeding
All	11%	85%	0%
Disadvantaged	0%	83%	-%

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Achievements, Performance and Key Performance Indicators (continued)

Phonics 2016
Achieving Pass in Year 1

Groups	Age Related Expectation
All	77%
Male	67%
Female	90%
Disadvantaged	57%
Not Disadvantaged	87%
SEND	0%
Not SEND	89%

Early Years 2016
Achieving GLD in Early Years

Groups	Age Related Expectation
All	81%
Male	71%
Female	92%
Disadvantaged	67%
Not Disadvantaged	83%

Going Concern

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

j.broomfield

Financial review

The Academy Trust receives the majority of its funding from The Education Funding Agency and as a result the funding matches the pupil profile of the individual academies. In addition, specific grants are received from the local authority, this relates to pupils with Special Educational Needs.

Both academies in the Trust have benefited from a successful bid from the Ministry of Defence to support service children and their families.

The Academy Trust has also continued to generate income via the deployment of key staff to support other schools in the area that have specific needs and requirements.

Additional funding has been raised at local level by academy led initiatives including hire of premises

Reserves Policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the academies within the Academy Trust and to fund future projects and initiatives. The Trustees intend to review the reserves policy annually to ensure that this aim can be achieved.

The reserves as at 31 August 2016 were as follows:

- Unrestricted (free) reserves of £217,170
- A restricted fixed asset fund of £5,695,723, which can only be realised through disposal of fixed assets
- A pension deficit of £824,000
- Other restricted funds of £50,000
- Total funds of £5,138,893

The Trustees intend to utilise these reserves in the near future to improve the infrastructure of the premises of both academies.

There is a £824,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Investment Policy

The Trustees' investment powers are set down in the Academy Trust's Memorandum and Articles of Association which permit the investment of monies of the Academy Trust that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Academy Trust's current policy is to invest surplus funds in short-term cash deposits.

j.broomfield

Principal Risks and Uncertainties

The Trustees have a comprehensive risk management process to identify and monitor the risks faced by the Academies. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Plans for future periods

The Inspire Learning Federation will continue to pursue its objectives and aims and support the continuing success and development of pupils, thereby reinforcing and building upon both academies existing OFSTED Good rating.

The Trust will also continue to develop partnerships and collaborative working with the Halterworth Consortium for training teachers, the ETC Teaching Alliance and the SSAT. Links with local and regional businesses and the wider community will be developed in accordance with the Trust objectives and to the benefit of all pupils, academies and the community.

Throughout 2016-17 the Trustees have agreed to continue working on the priorities set out below.

- To ensure that all children within the Trust achieve high levels of achievement and attainment
- To grow leaders to feed the system and create sustainability
- To grow a family of schools on the Waterside, Southampton and South Hampshire
- To develop a resourced provision to support children with Social, Emotional and Mental health needs

Funds Held as Custodian Trustee on Behalf of Others

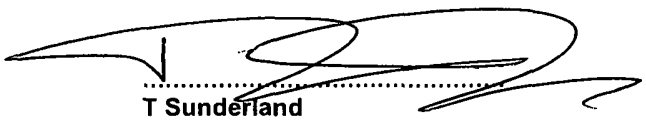
Currently there are no funds held on behalf of others and there are no plans for this to happen in the future.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

This report was approved by order of the board of trustees as the company directors, on 12 December 2016 and signed on its behalf by:



T Sunderland
Chair of Trustees

j.broomfield

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Inspire Learning Federation 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 Executive Principal, 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 The Inspire Learning Federation 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 Trustee's Report and in the Statement of Trustee's Responsibilities. The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

	Meetings attended	Out of a possible
T Sunderland	6	6
M Johnson	4	6
C Lowe	6	6
K Godsall	5	6
E Cole	5	6
C Hooper	5	5

During the year 2015-16 the Finance and Risk Committee was established and in May 2016 the federated governing body was disbanded and replaced with an Academy Council for each academy to enable Academy Councillors to focus on their specific academy to ensure appropriate monitoring, support and challenge takes place.

Going forward in 2016-17 the Board of Trustees are completing the Academy School Governance maturity matrix prepared by ICSA. It is a self-evaluation tool to benchmark the academy's governance arrangements. Results of this process will be analysed and appropriate development and training put in place where necessary.

The Finance and Risk Committee is a sub-committee of the Board of Trustees. Its purpose is to ensure economy, efficiency and effectiveness of financial management and value for money by rigorous monitoring and internal checks.

During the year Mr C Hooper, who is a qualified banker, joined the committee as an adviser. Attendance at meetings in the year was as follows:

Trustee / Academy Councillor	Meetings attended	Out of a possible
T. Sunderland (Trustee)	2	2
D. Payne (Academy Councillor)	2	2
S. Passfield (Academy Councillor)	2	2
C. Hooper (Trustee / Adviser)	2	2

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Review of Value for Money

As Accounting Officer, the Executive Principal has responsibility for ensuring that the Academy 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 Academy'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 appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Securing a discounted price for mobile, interactive whiteboards across the Trust to move IT resources forward to support the curriculum and pupils;
- Refurbishing all discovery centres across the trust to support the priority on the improvement plan to encourage a love of reading. Savings were made by procuring this work as a whole Trust;
- Building on the successful, newly designed learning environment for classrooms, further classrooms have been refurbished, using Trust staff to carry out the work, thus saving money whilst getting maximum impact from the expenditure.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 The Inspire Learning Federation for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing guidelines;
- Delegation of authority and segregation of duties;
- Identification and financial management of risk.

j.broomfield

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework (continued)

The Board of Trustees has considered the need for a specific internal audit function. To this end Mr C Hooper was appointed as a Trustee in February 2016 to provide a level of assurance on the control framework.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems and following up on issues and actions which have been graded according to level of risk. In particular the checks carried out in the current period included:

- Income
- Cash and Banking
- Compliance

The internal reviewer reports to the Trust's Finance and Risk Committee, whose membership comprises Trustees and Academy Council representatives, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal reviewer.
- The work of the external auditor.
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Risk 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 12 December 2016 and signed on their behalf, by:

T Sunderland
Chair of Trustees

C Lowe
Accounting Officer

j.broomfield

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Inspire Learning Federation I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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

CLlowe

.....

C Lowe
Accounting Officer

Date: 12 December 2016

j.broomfield

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

The Trustees (who act as governors of The Inspire Learning Federation and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

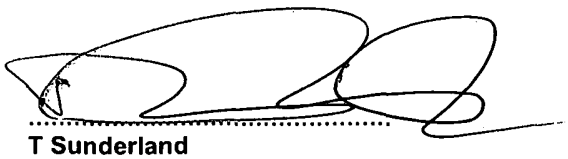
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 12 December 2016 and signed on its behalf by:



T Sunderland
Chair of Trustees

j.broomfield

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE INSPIRE LEARNING FEDERATION

We have audited the financial statements of The Inspire Learning Federation for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

j.broomfield

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE INSPIRE LEARNING FEDERATION

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

HurB

Richard Hurst FCA (Senior statutory auditor)
for and on behalf of
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR
Date: 13 December 2016

j.broomfield

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE INSPIRE LEARNING FEDERATION AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Inspire Learning Federation during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE INSPIRE LEARNING FEDERATION'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of The Inspire Learning Federation's funding agreement with the Secretary of State for Education dated 1 October 2014, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

j.broomfield

SUMMARY OF WORK UNDERTAKEN

We carried out the following:
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:
- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the EFA;
- confirming whether EFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

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

Richard Hurst FCA (Senior statutory auditor)
for and on behalf of
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 13 December 2016

j.broomfield

THE INSPIRE LEARNING FEDERATION

(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	-	-	-	-	*5,700,166*
Other donations and capital grants	2	**12,507**	-	**226,782**	**239,289**	*28,237*
Charitable activities	5	-	**2,996,277**	-	**2,996,277**	*2,777,628*
Other trading activities	3	**4,744**	-	-	**4,744**	*13,233*
Investments	4	**491**	-	-	**491**	*597*
TOTAL INCOME		**17,742**	**2,996,277**	**226,782**	**3,240,801**	*8,519,861*
EXPENDITURE ON:						
Charitable activities		-	**3,210,012**	**155,230**	**3,365,242**	*2,816,527*
TOTAL EXPENDITURE	6	-	**3,210,012**	**155,230**	**3,365,242**	*2,816,527*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		**17,742**	**(213,735)**	**71,552**	**(124,441)**	*5,703,334*
Transfers between Funds	17	**(143,768)**	**38,426**	**105,342**	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		**(126,026)**	**(175,309)**	**176,894**	**(124,441)**	*5,703,334*
Actuarial gains/(losses) on defined benefit pension schemes	21	-	**(467,000)**	-	**(467,000)**	*27,000*
NET MOVEMENT IN FUNDS		**(126,026)**	**(642,309)**	**176,894**	**(591,441)**	*5,730,334*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**343,196**	**(131,691)**	**5,518,829**	**5,730,334**	-
TOTAL FUNDS CARRIED FORWARD		**217,170**	**(774,000)**	**5,695,723**	**5,138,893**	*5,730,334*

The notes on pages 27 to 47 form part of these financial statements.

j.broomfield

THE INSPIRE LEARNING FEDERATION
(A company limited by guarantee)
REGISTERED NUMBER: 09202445

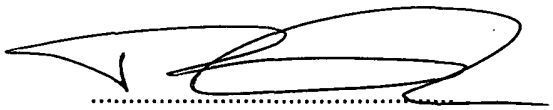
BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		**5,680,883**		*5,526,263*
CURRENT ASSETS					
Debtors	14	**279,450**		*210,929*	
Cash at bank and in hand		**412,821**		*585,864*	
		692,271		*796,793*	
CREDITORS: amounts falling due within one year	15	**(381,438)**		*(278,722)*	
NET CURRENT ASSETS			**310,833**		*518,071*
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,991,716**		*6,044,334*
CREDITORS: amounts falling due after more than one year	16		**(28,823)**		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			**5,962,893**		*6,044,334*
Defined benefit pension scheme liability	21		**(824,000)**		*(314,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**5,138,893**		*5,730,334*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	**50,000**		*182,309*	
Restricted fixed asset funds	17	**5,695,723**		*5,518,829*	
Restricted income funds excluding pension liability		**5,745,723**		*5,701,138*	
Pension reserve		**(824,000)**		*(314,000)*	
Total restricted income funds			**4,921,723**		*5,387,138*
Unrestricted income funds	17		**217,170**		*343,196*
TOTAL FUNDS			**5,138,893**		*5,730,334*

j.broomfield

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:



T Sunderland
Chair of Trustees

The notes on pages 27 to 47 form part of these financial statements.

j.broomfield

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	31 August 2016 £	*period ended 31 August 2015 £*
Cash flows from operating activities			
Net cash provided by operating activities	19	**136,807**	*216,910*
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		**1,000**	-
Purchase of tangible fixed assets		**(310,850)**	*(139,156)*
Net cash used in investing activities		**(309,850)**	*(139,156)*
Change in cash and cash equivalents in the year		**(173,043)**	*77,754*
Cash and cash equivalents brought forward		**585,864**	*508,110*
Cash and cash equivalents carried forward	20	**412,821**	*585,864*

j.broomfield

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Inspire Learning Federation constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 Fund accounting

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

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

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

j.broomfield

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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..

j.broomfield

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long-term leasehold property	-	2% Straight line
Motor vehicles	-	8 years Straight line
Fixtures and fittings	-	7 - 10 years Straight line
Computer equipment	-	25% Straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Interest receivable

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

1.9 Taxation

The Academy 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 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 Debtors

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

j.broomfield

1. ACCOUNTING POLICIES (continued)

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1.13 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Pensions

Retirement benefits to employees of the Academy 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.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

j.broomfield

1. ACCOUNTING POLICIES (continued)

1.14 Pensions (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

There are no other critical areas of judgement.

j.broomfield

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Transfer on conversion	-	-	-	*5,700,166*
Donations	**12,507**	-	**12,507**	*13,172*
Capital grants	-	**226,782**	**226,782**	*15,065*
Subtotal	**12,507**	**226,782**	**239,289**	*28,237*
Total donations and capital grants	**12,507**	**226,782**	**239,289**	*5,728,403*

In 2015, of the total income from donations and capital grants, £521,282 was to unrestricted funds and £5,207,121 was to restricted funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Hire of facilities	**4,744**	-	**4,744**	*13,233*

In 2015, of the total income from other trading activities, £13,233 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Investment income	**491**	-	**491**	*597*

In 2015, of the total investment income, £ 597 was to unrestricted funds and £ NIL was to restricted funds.

j.broomfield

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
DfE/EFA grants				
General Annual Grant (GAG)	-	**2,023,849**	**2,023,849**	*2,310,352*
DfE/EFA other grants	-	**839,133**	**839,133**	*323,724*
	-	**2,862,982**	**2,862,982**	*2,634,076*
Other government grants				
Local authority grants	-	**2,540**	**2,540**	*13,012*
Other grants	-	**12,400**	**12,400**	*34,700*
	-	**14,940**	**14,940**	*47,712*
Other funding				
Trip income	-	**54,701**	**54,701**	*46,741*
Catering income	-	**26,539**	**26,539**	*24,840*
Music income	-	**3,878**	**3,878**	-
Other income	-	**33,237**	**33,237**	*24,259*
	-	**118,355**	**118,355**	*95,840*
	-	**2,996,277**	**2,996,277**	*2,777,628*

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £2,777,628 was to restricted funds.

j.broomfield

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	*Total 2015 £*
Academy's educational operations:					
Direct costs	**1,993,746**	**-**	**209,965**	**2,203,711**	*1,949,595*
Support costs	**491,460**	**227,814**	**442,257**	**1,161,531**	*857,932*
	2,485,206	**227,814**	**652,222**	**3,365,242**	*2,807,527*

In 2016, of the total expenditure, £NIL *(2015 - £NIL)* was to unrestricted funds and £3,365,242 *(2015 - £2,807,527)* was was to restricted funds.

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2016 £	*Total 2015 £*
Technology costs	**100,018**	**100,018**	*39,705*
Premises costs	**227,814**	**227,814**	*164,865*
Governance costs	**10,325**	**10,325**	*7,795*
Other costs	**176,721**	**176,721**	*159,306*
Wages and salaries	**345,381**	**345,381**	*310,470*
National insurance	**14,825**	**14,825**	*11,123*
Pension cost	**131,254**	**131,254**	*68,719*
Depreciation	**155,193**	**155,193**	*104,949*
	1,161,531	**1,161,531**	*866,932*

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	31 August 2016 £	*period ended 31 August 2015 £*
Depreciation of tangible fixed assets:		
- owned by the charity	**155,193**	*104,949*
Auditors' remuneration - audit	**5,130**	*6,595*
Auditors' remuneration - other services	**5,195**	*1,200*
Operating lease rentals	**5,822**	*25,391*

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9. STAFF COSTS

Staff costs were as follows:

	31 August 2016 £	*period ended 31 August 2015 £*
Wages and salaries	**1,971,498**	*1,777,998*
Social security costs	**138,054**	*104,542*
Operating costs of defined benefit pension schemes	**375,654**	*260,635*
	2,485,206	*2,143,175*

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

	31 August 2016 No.	*period ended 31 August 2015 No.*
Teachers	**35**	*38*
Administration/Support	**8**	*8*
Management	**5**	*5*
	48	*51*

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

	31 August 2016 No.	*period ended 31 August 2015 No.*
In the band £70,001 - £80,000	**0**	*1*
In the band £80,001 - £90,000	**1**	*0*

The above employee participated in the Teachers' Pension Scheme. During the period, employer's pension contributions totalled £14,113 (2015: £10,050).

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £326,564 (2015: £305,351).

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10. CENTRAL SERVICES

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

- Technology costs
- Premises costs
- Staff costs
- Other costs

The Academy charges for these services on the following basis:

Allocation of central costs by size of academy (with reference to the number of pupils on roll)

The actual amounts charged during the year were as follows:

	31 August 2016	*period ended 31 August 2015*
	£	£
Blackfield Primary School	**51,173**	-
Fawley Infant School	**8,331**	-
Total	**59,504**	

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of executive principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		31 August 2016	*period ended 31 August 2015*
		£'000	*£'000*
C Lowe (Executive Principal)	Remuneration	**85-90**	*70-75*
	Pension contributions paid	**10-15**	*10-15*

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

12. TRUSTEES' AND OFFICERS' INSURANCE

Under the EFA's Risk Protection Arrangement, the Academy has insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The cover is unlimited and the cost of this insurance is included in the total insurance cost.

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	**5,410,942**	**33,750**	**54,781**	**131,739**	**5,631,212**
Additions	**-**	**-**	**188,210**	**122,640**	**310,850**
Disposals	**-**	**-**	**(1,429)**	**-**	**(1,429)**
At 31 August 2016	**5,410,942**	**33,750**	**241,562**	**254,379**	**5,940,633**
Depreciation					
At 1 September 2015	**85,927**	**6,876**	**6,632**	**5,514**	**104,949**
Charge for the year	**93,739**	**7,500**	**7,235**	**46,719**	**155,193**
On disposals	**-**	**-**	**(392)**	**-**	**(392)**
At 31 August 2016	**179,666**	**14,376**	**13,475**	**52,233**	**259,750**
Net book value					
At 31 August 2016	**5,231,276**	**19,374**	**228,087**	**202,146**	**5,680,883**
At 31 August 2015	*5,325,015*	*26,874*	*48,149*	*126,225*	*5,526,263*

Included above is leasehold land at valuation of £724,000, which is not depreciated.

14. DEBTORS

	2016 £	2015 £
Trade debtors	**2,426**	*1,164*
Other debtors	**195,337**	*107,275*
Prepayments and accrued income	**81,687**	*102,490*
	279,450	*210,929*

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15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	1,921	-
Trade creditors	126,877	132,444
Other taxation and social security	40,203	35,495
Other creditors	41,079	37,296
Accruals and deferred income	171,358	73,487
	381,438	278,722

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	44,425	-
Resources deferred during the year	50,590	44,425
Amounts released from previous years	(44,425)	-
Deferred income at 31 August 2016	50,590	44,425

Analysis of deferred income

	2016 £	2015 £
UIFSM provisional funding	31,356	41,940
Trip income relating to the forthcoming year	1,874	2,485
Grants relating to the forthcoming year	17,360	-
Total	50,590	44,425

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

	2016 £	2015 £
Other loans	28,823	-

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17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Reserves	343,196	17,742	-	(143,768)	-	217,170
Restricted funds						
General Annual Grant (GAG)	182,309	2,023,849	(2,244,584)	38,426	-	-
Pupil premium	-	277,989	(277,989)	-	-	-
Other Dfe/EFA grants	-	511,144	(511,144)	-	-	-
Local authority grants	-	2,540	(2,540)	-	-	-
Ministry of Defence grants	-	12,400	(12,400)	-	-	-
Sponsor Capacity grant	-	50,000	-	-	-	50,000
Other educational activities	-	118,355	(118,355)	-	-	-
Pension reserve	(314,000)	-	(43,000)	-	(467,000)	(824,000)
	(131,691)	2,996,277	(3,210,012)	38,426	(467,000)	(774,000)
Restricted fixed asset funds						
Restricted Fixed Asset Fund	5,518,829	-	(155,230)	317,284	-	5,680,883
EFA/DfE capital grants	-	226,782	-	(211,942)	-	14,840
	5,518,829	226,782	(155,230)	105,342	-	5,695,723
Total restricted funds	5,387,138	3,223,059	(3,365,242)	143,768	(467,000)	4,921,723
Total of funds	5,730,334	3,240,801	(3,365,242)	-	(467,000)	5,138,893

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17. STATEMENT OF FUNDS (continued)

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

General annual grant
This includes all funding received from the EFA to carry out the objectives of the academy. It includes the following school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre-16 high need funding streams.

Pupil premium and other DfE/EFA grants
This is funding received from the EFA for specific purposes.

Local authority grants
This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities
This includes all other educational income/expenditure.

Pension reserve
This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund
The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/EFA capital grants
This is money received from the DfE/EFA specifically for expenditure on tangible fixed assets.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	*Total 2015 £*
Blackfield Primary School	**114,556**	*336,724*
Fawley Infant School	**152,614**	*188,781*
Total before fixed asset fund and pension reserve	**267,170**	*525,505*
Restricted fixed asset fund	**5,695,723**	*5,518,829*
Pension reserve	**(824,000)**	*(314,000)*
Total	**5,138,893**	*5,730,334*

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17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat-ion £	Total 2016 £	*Total 2015 £*
Blackfield Primary School	**1,714,621**	**422,656**	**45,280**	**578,091**	**2,760,648**	*2,286,556*
Fawley Infant School	**279,125**	**68,804**	**7,370**	**94,102**	**449,401**	*416,022*
	1,993,746	**491,460**	**52,650**	**672,193**	**3,210,049**	*2,702,578*

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Tangible fixed assets	**-**	**-**	**5,680,883**	**5,680,883**	*5,526,263*
Current assets	**217,170**	**460,261**	**14,840**	**692,271**	*796,793*
Creditors due within one year	**-**	**(381,438)**	**-**	**(381,438)**	*(278,722)*
Creditors due in more than one year	**-**	**(28,823)**	**-**	**(28,823)**	*-*
Pension reserve	**-**	**(824,000)**	**-**	**(824,000)**	*(314,000)*
	217,170	**(774,000)**	**5,695,723**	**5,138,893**	*5,730,334*

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

	31 August 2016 £	*period ended 31 August 2015 £*
Net (expenditure)/income for the year (as per Statement of financial activities)	**(124,441)**	*5,703,334*
Adjustment for:		
Depreciation charges	**155,193**	*104,949*
Loss on the sale of fixed assets	**37**	*-*
Increase in debtors	**(68,521)**	*(210,929)*
Increase in creditors	**131,539**	*278,722*
Transfer on conversion - revenue funds	**-**	*(508,110)*
Transfer on conversion - fixed assets	**-**	*(5,492,056)*
Transfer on conversion - pension deficit	**-**	*300,000*
Pension adjustments	**43,000**	*41,000*
Net cash provided by operating activities	**136,807**	*216,910*

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 August 2016 £	*period ended 31 August 2015 £*
Notice deposits (less than 3 months)	**412,821**	*585,864*
Total	**412,821**	*585,864*

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21. PENSION COMMITMENTS

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

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

Contributions amounting to £39,877 were payable to the schemes at 31 August 2016 (2015 - £34,370) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £202,517 *(2015 - £154,048).*

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21. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £159,000 *(2015 - £130,000)*, of which employer's contributions totalled £120,000 *(2015 - £99,000)* and employees' contributions totalled £39,000 *(2015 - £31,000)*. The agreed contribution rates for future years are 13.1% for employers and 5.5% - 7.5% 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.
Principal actuarial assumptions:

	2016	*2015*
Discount rate for scheme liabilities	**2.00 %**	*3.80 %*
Rate of increase in salaries	**3.50 %**	*3.50 %*
Rate of increase for pensions in payment / inflation	**2.00 %**	*2.00 %*
Inflation assumption (CPI)	**2.00 %**	*2.00 %*

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

	2016	*2015*
Retiring today		
Males	**24.6**	*24.5*
Females	**26.4**	*26.3*
Retiring in 20 years		
Males	**26.7**	*26.6*
Females	**28.7**	*28.6*

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21. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	*Fair value at 31 August 2015 £*
Equities	**498,000**	*340,000*
Property	**65,000**	*48,000*
Government bonds	**231,000**	*152,000*
Corporate bonds	**16,000**	*10,000*
Cash	**46,000**	*20,000*
Other	**23,000**	*21,000*
Total market value of assets	**879,000**	*591,000*

The actual return on scheme assets was £135,000 *(2015 - £25,000).*

The amounts recognised in the Statement of Financial Activities are as follows:

	31 August 2016 £	*period ended 31 August 2015 £*
Current service cost	**(153,000)**	*(132,000)*
Net interest cost	**(10,000)**	*(8,000)*
Total	**(163,000)**	*(140,000)*

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

	31 August 2016 £	*period ended 31 August 2015 £*
Opening defined benefit obligation	**905,000**	-
Upon conversion	**-**	*744,000*
Interest cost	**35,000**	*26,000*
Contributions by employees	**39,000**	*31,000*
Actuarial losses/(gains)	**577,000**	*(20,000)*
Current service cost	**153,000**	*132,000*
Benefits paid	**(6,000)**	*(8,000)*
Closing defined benefit obligation	**1,703,000**	*905,000*

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21. PENSION COMMITMENTS (continued)

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

	31 August 2016 £	*period ended 31 August 2015 £*
Opening fair value of scheme assets	**591,000**	-
Upon conversion	**-**	*444,000*
Interest income	**25,000**	*18,000*
Actuarial gains and (losses)	**110,000**	*7,000*
Contributions by employer	**120,000**	*99,000*
Contributions by employees	**39,000**	*31,000*
Benefits paid	**(6,000)**	*(8,000)*
Closing fair value of scheme assets	**879,000**	*591,000*

22. OPERATING LEASE COMMITMENTS

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

	2016 £	*2015 £*
Amounts payable:		
Within 1 year	**26,314**	*27,665*
Between 1 and 5 years	**50,523**	*20,060*
Total	**76,837**	*47,725*

23. 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 11.

24. MEMBERS' LIABILITY

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

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25. FIRST TIME ADOPTION OF FRS 102

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

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

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