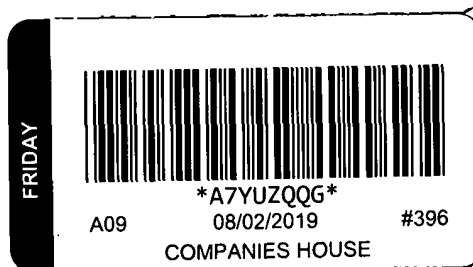


INSPIRE LEARNING PARTNERSHIP
(formerly known as The Inspire Learning Federation)
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

L Clark
T Sunderland
M Treagus
A Drummond
F Aubrey-Smith

Trustees

L Clark (appointed 25 June 2018)
E Cole (resigned 30 April 2018)
J Crandon (appointed 1 May 2018)
K Godsall
C Hooper (resigned 31 August 2018)
M Johnson (resigned 30 April 2018)
C Lowe
T Sunderland
J Wright (appointed 1 May 2018)

Company registered number

09202445

Company name

Inspire Learning Partnership

Principal and registered office

Blackfield Primary School
Hampton Lane
Blackfield
Hampshire
SO45 1AX

Strategic leadership team

C Lowe, Executive Principal
T Sasso, Principal
H Jakimavicius, Principal
S Cook, Principal (from 1 May 2018)
K Buist, Principal (from 1 May 2018)
M Hooper, Associate Principal
J Broomfield, Business Manager (until 19 February 2018)
S Galloway, Director of Finance and Resources (from 1 May 2018)

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

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 LLP
Orchard Court
Orchard Lane
Bristol
BS1 5WS

**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 1 September 2017 to 31 August 2018. 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 and a further two primary schools in Southampton which joined the Trust 01/05/2018. Its academies have a combined pupil capacity of 1260 and had a roll of 1155 in the school census on 4th October 2018. The Nursery has a capacity for 36 pupils per session. It runs 10 sessions per week and is 71% full.

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 of the Academy Trust's educational activities.

Blackfield Primary School

Principal Mr T Sasso

Fawley Infant School

Executive Principal Mrs C Lowe
Principal Mrs H Jakimavicius

Hightown Primary School

Headteacher Mrs S Cook

Kanes Hill Primary School

Headteacher Mrs K Buist

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 Inspire Learning Partnership are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Inspire Learning Partnership

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' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trustees' Indemnities

Under the ESFA's Risk Protection Arrangement, the Academy has insurance to protect Trustees, Academy Councillors 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 serves as an Academy Trustee and is the link between the Academy Councils and the Board of Trustees. 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 communities 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 areas.

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 National Governors Association who provide a broad range of courses to support governance.

All newly appointed Trustees will be allocated a mentor along with undergoing a full induction covering: governance structure of Inspire Learning Partnership; staffing structures at all schools within the Trust; End of Key Stage Data for all schools within the Trust; Trustees' Code of Conduct; School Improvement Plans for each school within the Trust; dates of scheduled meetings for the academic year; published annual financial statements; latest set of management accounts for the Trust and contact details for all senior leaders within the Trust, Academy Councillors and Trustees.

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Inspire Learning Partnership, and approving decisions reserved to Trustees as detailed in the Trust's 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 Partnership academies.
- Defining and delegating responsibilities to the Academy Councils.

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

The Board of Trustees operate with three sub committees; Finance, Risk and Audit subcommittee; Education Performance and Standards subcommittee; both of which meet three times a year and Pay subcommittee which meets once per year.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 Partnership Board of Trustees. Their memberships are as follows:

Blackfield Primary School

Lisa Hayes (Chair)
Helen Barber (Vice Chair)
Matt Johnson
Stephen Hill
Becky Bolger
Sharon Emberton
Tariq Sasso (Principal)
Jane Ashcroft
Mary Gill

Fawley Infant School

Deric Payne (Chair)
Tamsin Pearce
Cathleen Dowding
Claire Goodfellow
Hayley Jakimavicius (Principal)
Deborah Osman

Hightown Primary School

Stephen Donovan (Chair),
Duncan Jennings (Vice Chair)
Sian Cook (Headteacher)
Shaun Terry
Gemma Donaldson
Tamantha Turner
Paul Hornzee

Kanes Hill Primary School

Jarlath Molloy (Chair)
Claire Morse (Vice Chair)
Kirsten Buist (Headteacher)
Jim Henderson
Stephen Phillips
Bethany Downes

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 Inspire Learning Partnership
- 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

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Ensuring accountability by:

- Monitoring the academy's self-evaluation documentation
- Responding to Ofsted reports when necessary
- Holding the Headteacher/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

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

The day to day management of each academy rests with the Headteacher/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 for all staff excluding the Headteacher's/Principal's are presented to the Academy Council Pay subcommittee who moderate, amend if necessary, and then present to the Trustee's Pay subcommittee who ratify their recommendations.

The pay recommendation for Headteachers/Principals, Associate Principal and Director of Finance and Resources are made by the Executive Principal/CEO to the Trustees Pay subcommittee. The Trustees Pay subcommittee is also responsible for the Executive Principal's/CEO Performance Management and setting the ISR range for this post. The Trustees Pay subcommittee consists of two Trustees one of which is the Chair of Trustees.

Trade Union Facility Time

The Academy Trust did not have any employees who were relevant union officials during the period, and no time was spent on facility time or paid trade union activities.

Related Parties and other Connected Charities and Organisations

Various shared SLAs exist across the local cluster of schools: Currently, the Trust jointly employs a MFL Teacher and a HR Manager with a special primary; we have improved the cost effectiveness of some of our services through shared SLA e.g. with a special primary for a network manager and IT support. These partnership arrangements are reviewed regularly and each school is committed to future partnership working in order to secure best value provision.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

Objects and Aims

The charitable objectives for which Inspire Learning Partnership 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 knowledge rich curriculum."

Objectives, Strategies and Activities

The principal activity of Inspire Learning Partnership is currently to run three primary schools and an infant school for boys and girls known as Blackfield Primary School, Hightown Primary School, Kanes Hill Primary School and Fawley Infant School and a nursery school known as Blackfield Nursery.

Inspire Learning Partnership defines its mission and vision as follows:

Vision

To place irresistible learning at the heart of educational transformation and grow an outstanding family of schools across the South of England who share common values, expertise and innovation.

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, Inspire Learning Partnership 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. Many of the schools within the Trust hire their facilities to local sports recreational clubs which are advertised in the local community.

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.

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements, Performance and Key Performance Indicators

Schools	Blackfield			Fawley			Hightown			Kanes Hill		
Assessments	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
% GLD	70%	75%	78%	81%	71%	85%	65%	70%	72%	59%	71%	73%
% Phonics Year 1	78%	89%	87%	77%	89%	79%	83%	85%	72%	71%	83%	88%
% Phonics End Of Key Stage	90%	98%	100%	93%	100%	95%	85%	98%	90%	74%	79%	92%
KS1 ≥ Expected												
Reading %	70%	78%	77%	69%	70%	83%	77%	73%	63%	85%	75%	77%
Writing %	62%	76%	70%	62%	57%	71%	77%	50%	43%	82%	70%	65%
Mathematics %	72%	82%	77%	62%	70%	79%	81%	73%	73%	83%	73%	75%
Combined %	62%	74%	68%	55%	48%	71%	77%	50%	43%	77%	67%	65%
KS1 Greater Depth												
Reading %	13%	24%	19%	17%	13%	21%	23%	23%	7%	43%	25%	22%
Writing %	12%	18%	9%	10%	4%	13%	15%	0%	0%	25%	12%	14%
Mathematics %	10%	38%	23%	10%	9%	21%	15%	27%	0%	32%	25%	24%
Combined %	8%	16%	9%	7%	4%	8%	7%	0%	0%	20%	12%	12%
KS2 ≥ Expected												
Reading %	67%	74%	61%				52%	57%	52%	88%	91%	86%
Writing %	75%	76%	81%				71%	79%	77%	85%	89%	82%
GPS %	62%	70%	64%				48%	29%	68%	79%	94%	86%
Mathematics %	81%	82%	86%				57%	71%	58%	88%	93%	84%
Combined %	61%	64%	59%				33%	57%	35%	79%	83%	71%
KS2 Greater Depth												
Reading %	23%	22%	21%				9%	7%	6%	18%	34%	29%
Writing %	9%	23%	25%				9%	14%	6%	12%	8%	9%
GPS %	18%	21%	19%				9%	7%	10%	29%	34%	30%
Mathematics %	19%	23%	13%				14%	0%	3%	12%	26%	18%
Combined %	4%	13%	7%				4%	0%	0%	6%	4%	5%
Average Standardised Score												
Reading	102	104	102				102	100	101	105	108	106
GPS	102	104	103				101	99	103	105	108	106
Mathematics	104	104	104				104	101	99	104	107	105

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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

The financial position of the Academy Trust at the period ended 31st August 2018 is shown on page xx.

The vast majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31st August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ending 31st August 2018, total expenditure (excluding depreciation, including assets purchased out of GAG) was mainly covered by recurrent grant funding from the ESFA plus income from other sources.

The Trust's Finance and Resources Director continues to ensure robust financial practice and procedures are in place, along with enhanced reporting on the Trust's financial position.

The period end balances on restricted and unrestricted income funds were:

• Blackfield Primary School	£342,896
• Fawley Infant School	£125,014
• Kanes Hill Primary School	£96,572
• Hightown Primary School	£19,522
• Central services	-£25,345
• Total before fixed asset fund and pension reserve	£558,659

The deficit in the Local Government Pension Scheme (LGPS) of £1,306,000 is recognised on the balance sheet as per the requirements of the FRS17. The LGPS employers' deficit recovery payment is set to rise by 8.8% year on year for the next two years along with an increase of 1% to the employers' contribution rate year on year for the next two years. These additional costs may need to be funded from the current reserves.

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

Additional funding has been raised at local level by academy led initiatives which includes hire of facilities.

Reserves Policy

The Board of Trustees aims to demonstrate prudence and good financial planning to cover the unexpected and unplanned in order to protect delivery of the academy's primary objectives. The Board may also set aside reserves for investment in future years (e.g. to improve or expand facilities).

To mitigate the risk of future income reduction and to create a fund, for example; for a building development, the Board will determine further reserves on an annual basis in the spring term. Reserves are determined with reference to the in-year financial performance of the Trust and an assessment of the key risks and future investment requirements.

The Trust's reserves policy is to ensure that, whilst maintaining a suitable level of working capital and contingency, resources are made readily available within the schools to enable all current and future pupils to access their learning despite any barriers (e.g. mental health, family break up, low levels on entry, limited speech and language etc.) and to attain the highest possible standards.

The Trust plans to maintain a contingency amount along with a working capital amount. This will remain at £80,000 contingency and £130,000 working capital for this financial year although this will be reviewed annually.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Investment Policy

The Academy Trust currently holds no investments.

The Trust aims to manage its cash balances to provide for the day to day financial management of the Trust. Where surplus cash funds exist the Trust seeks to optimise returns at minimal risk.

Surplus funds are defined as funds in excess of those deemed to be needed to meet the day to day cash flow requirements for the financial management of the school taking into account the agreed minimum reserves level. The Director of Finance and Resources, once approval is given by the Finance, Risk and Audit subcommittee, will maximise investment return by investing surplus funds for up to 6 months in interest-bearing accounts with High Street Banks or Building Societies.

Investment Guidelines:

- The Director of Finance and Resources reviews cash flow forecasts. Surplus funds exist when, for a given period of time, the balance on hand plus forecast cash inflows exceeds forecast outflows. Such surplus funds may be invested to earn interest for that period of time.
- Surplus funds may be invested in Fixed Term Deposit accounts for up to 6 months with the school's bank or another UK High Street Bank or Building Society. Such transactions are performed by Director of Finance and Resources with the documented approval of the Executive Principal/CEO.
- The Director of Finance and Resources will report each half term to the Finance Risk and Audit subcommittee, the amounts invested, the beginning and end dates and the interest rate.
- On maturity of any such investment the Director of Finance and Resources will review the position and may re-invest in line with this policy.

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.

Fundraising

The Trust mainly manages its fundraising activities which are held on one of our sites. These events are usually small and examples are:

- Summer Fete & BBQ
- Christmas Shopping Day
- School Discos
- Cake Sales

All fundraising monies are used to enhance the academies site and stakeholders are made aware of where the funds will be spent prior to the event.

All fundraising events attendance is voluntary.

The Trust currently works with several outside agencies in respect of fundraising, e.g.: Tesco (commission in sales of school uniforms), Photographers (commission from sales of school photos) etc.

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

Inspire Learning Partnership will continue to pursue its objectives and aims and support the continuing success and development of pupils, thereby reinforcing and building upon academies' existing OFSTED Outstanding and Good ratings.

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 2018/19 the Trustees have agreed to continue working on the priorities set out below.

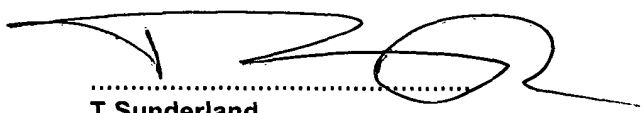
- To ensure that all children within the Trust achieve high levels of achievement and attainment
- To grow leaders to feed the system and create sustainability
- To grow a family of schools on the Waterside, Southampton and South Hampshire

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on its behalf by:



T Sunderland
Chair of Trustees

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Inspire Learning Partnership 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/CEO, 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 Inspire Learning Partnership 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 seven 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	7
M Johnson	5	5
C Lowe	7	7
K Godsall	6	7
E Cole	0	5
C Hooper	6	7
J Wright	2	2
J Crandon	2	2
L Clark	1	1

The Finance and Risk Committee is a subcommittee 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.

Attendance at meetings in the year was as follows:

Trustee / Academy Councillor	Meetings attended	Out of a possible
T Sunderland (Chair)	2	3
C Hooper (Trustee)	2	2
C Lowe	2	3
J Crandon	0	1
L Clark	1	1
D Payne	2	2
L Hayes (Academy Councillor)	1	2

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As Accounting Officer, the Executive Principal/CEO 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:

- Successfully completing a merger with another small MAT resulting in greater expertise across the Trust and greater cost effectiveness
- Strategically deploy staff to target improvement, efficiently and effectively, with focus on specialist support targeting interventions to identified pupils
- Good OFSTED inspection at Blackfield Primary School
- Moved from Requires Improvement to Good OFSTED rating at Hightown Primary School
- Maintained Good OFSTED rating at Blackfield Nursery School
- Sharing expertise of outstanding and senior leaders across Trust Schools
- Streaming operations within the Trust

VFM is not through staffing review and restructure alone, as we continue to achieve significant economies of scale through collaborative procurement. To improve our financial systems and procedures the Trust employs a full time Director of Finance and Resources who ensures robust measures are in place and costs are reduced year on year.

We contract from a local special school IT Manager and operational support, who are advising and supporting on an on-going rolling programme for replacement and improvement of our IT facilities which strengthens and enhances the learning and support structure of the Academies.

The Trust has continued to generate income through external grant bids and will also continue to generate additional income through deploying staff to support in other settings and to investigate other business opportunities that will strengthen the Trust provision for pupils as well as generate income.

There is lettings income from local groups which we will continue to develop over the next year.

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 Inspire Learning Partnership for the year 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 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The Academy'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, Audit & Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an external company to undertake the role of internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academies Trust financial systems. In particular the checks carried out in the current period included:

- testing the payroll system
- testing the purchasing system
- testing income receipts system
- testing bank reconciliations
- testing PAYE reconciliations
- testing Pre-Payments/Accruals/Accrued Income/Deferred Income reconciliations
- testing VAT reconciliations
- testing fixed asset register and depreciation schedule
- testing to ensure ESFA financial returns are complete accurately

On a termly basis (spring and summer only), the internal auditor reports to the board of trustees through the Finance, Risk and Audit sub-committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

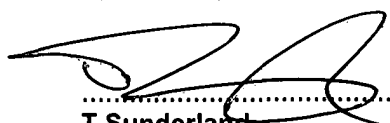
Review of Effectiveness

As Accounting Officer, the Executive Principal/CEO 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 auditors;
- the work of the executive managers within the Academy 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, Risk and Audit subcommittee 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 3 December 2018 and signed on their behalf, by:


.....
T Sunderland
Chair of Trustees


.....
C Lowe
Accounting Officer

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Inspire Learning Partnership 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 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.



C Lowe
Accounting Officer

Date: 3 December 2018

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, 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 of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 3 December 2018 and signed on its behalf by:


.....
T Sunderland
Chair of Trustees

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

OPINION

We have audited the financial statements of Inspire Learning Partnership (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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'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.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION 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 Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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.

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

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

RESPONSIBILITIES OF TRUSTEES

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, 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'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 Academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Academy'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 Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 11 December 2018

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO INSPIRE
LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 September 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 Inspire Learning Partnership during the year 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 Inspire Learning Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inspire Learning Partnership and the 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 Inspire Learning Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF INSPIRE LEARNING PARTNERSHIP'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Inspire Learning Partnership's funding agreement with the Secretary of State for Education dated 1 October 2014, 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 year 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 the 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's income and expenditure.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO INSPIRE LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

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 ESFA;
- confirming whether ESFA 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 2017 to 31 August 2018 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

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 11 December 2018

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	-	-	-	-	1,707
Transfer from an existing academy trust	2	169,564	(852,000)	3,194,588	2,512,152	-
Other donations and capital grants	2	12,678	-	17,203	29,881	575,531
Charitable activities	5	-	4,206,242	-	4,206,242	3,468,468
Other trading activities	3	7,018	-	-	7,018	4,377
Investments	4	410	-	-	410	321
TOTAL INCOME		189,670	3,354,242	3,211,791	6,755,703	4,050,404
EXPENDITURE ON:						
Charitable activities		-	4,406,718	577,465	4,984,183	3,636,981
TOTAL EXPENDITURE	6	-	4,406,718	577,465	4,984,183	3,636,981
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		189,670	(1,052,476)	2,634,326	1,771,520	413,423
Transfers between Funds	18	-	(136,574)	136,574	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		189,670	(1,189,050)	2,770,900	1,771,520	413,423
Actuarial gains on defined benefit pension schemes	23	-	336,000	-	336,000	309,000
NET MOVEMENT IN FUNDS		189,670	(853,050)	2,770,900	2,107,520	722,423
RECONCILIATION OF FUNDS:						
Total funds brought forward		247,872	(331,833)	5,945,277	5,861,316	5,138,893
TOTAL FUNDS CARRIED FORWARD		437,542	(1,184,883)	8,716,177	7,968,836	5,861,316

The notes on pages 26 to 52 form part of these financial statements.

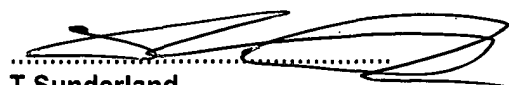
BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		8,626,522		5,531,587
CURRENT ASSETS					
Stocks	14	6,384			
Debtors	15	522,825		558,667	
Cash at bank and in hand		757,183		780,414	
			<u>1,286,392</u>	<u>1,339,081</u>	
CREDITORS: amounts falling due within one year	16	(602,098)		(328,530)	
NET CURRENT ASSETS			<u>684,294</u>		<u>1,010,551</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,310,816</u>		<u>6,542,138</u>
CREDITORS: amounts falling due after more than one year	17		(35,980)		(28,822)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>9,274,836</u>		<u>6,513,316</u>
Defined benefit pension scheme liability	23		(1,306,000)		(652,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>7,968,836</u></u>		<u><u>5,861,316</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	121,117		320,167	
Restricted fixed asset funds	18	8,716,177		5,945,277	
			<u>8,837,294</u>	<u>6,265,444</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,306,000)		(652,000)	
			<u>7,531,294</u>	<u>5,613,444</u>	
Total restricted income funds					
Unrestricted income funds	18		437,542		247,872
TOTAL FUNDS			<u><u>7,968,836</u></u>		<u><u>5,861,316</u></u>

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 22 to 52 were approved by the Trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:



T Sunderland
Chair of Trustees

The notes on pages 26 to 52 form part of these financial statements.

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(107,019)	406,704
Cash flows from investing activities:			
Purchase of tangible fixed assets		(136,574)	(39,111)
Cash transferred from existing academy trust		220,362	-
Net cash provided by/(used in) investing activities		83,788	(39,111)
Change in cash and cash equivalents in the year		(23,231)	367,593
Cash and cash equivalents brought forward		780,414	412,821
Cash and cash equivalents carried forward		757,183	780,414

**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), judgments 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 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.

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 receipt is probable 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.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

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.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised 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 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:

Freehold property	-	50 years Straight line
Freehold land	-	Not depreciated
Leasehold property	-	Shorter of 50 years or length of lease
Long-term leasehold land	-	Not depreciated
Leasehold improvements	-	10 years Straight line
Furniture and fixtures	-	5 - 7 years Straight line
Motor vehicles	-	3 - 6 years Straight line
Computer equipment	-	3 - 5 years Straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

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 and provisions 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in notes 16 and 17. 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 other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 23, 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments 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 23, 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer on conversion	-	-	-	-	1,707
Transfer from an existing academy trust	169,564	(852,000)	3,194,588	2,512,152	-
Subtotal detailed disclosure	169,564	(852,000)	3,194,588	2,512,152	1,707
Donations	12,678	-	-	12,678	24,297
Capital grants	-	-	17,203	17,203	551,234
Subtotal	12,678	-	17,203	29,881	575,531
	182,242	(852,000)	3,211,791	2,542,033	577,238
Total 2017	26,004	-	551,234	577,238	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	7,018	-	7,018	4,377
Total 2017	4,377	-	4,377	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	410	-	410	321
Total 2017	321	-	321	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,275,080	3,275,080	2,546,629
DfE/ESFA other grants	-	517,415	517,415	465,594
	-	3,792,495	3,792,495	3,012,223
Other government grants				
Local authority grants	-	62,989	62,989	7,114
Other grants	-	-	-	31,850
	-	62,989	62,989	38,964
Other funding				
Trip income	-	51,800	51,800	45,064
Catering income	-	31,979	31,979	26,587
Music income	-	11,677	11,677	8,874
Nursery income	-	163,539	163,539	222,723
Other income	-	91,763	91,763	114,033
	-	350,758	350,758	417,281
	-	4,206,242	4,206,242	3,468,468
Total 2017	-	3,468,468	3,468,468	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	2,784,298	-	344,678	3,128,976	2,226,342
Support costs	719,014	545,103	591,090	1,855,207	1,410,639
	<u>3,503,312</u>	<u>545,103</u>	<u>935,768</u>	<u>4,984,183</u>	<u>3,636,981</u>
Total 2017	<u>2,627,519</u>	<u>279,145</u>	<u>725,317</u>	<u>3,631,981</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	70,586	70,586	109,353
Premises costs	545,103	545,103	279,145
Governance costs	22,990	22,990	10,930
Other costs	267,865	267,865	238,062
Wages and salaries	458,907	458,907	359,403
National insurance	30,053	30,053	23,011
Pension cost	230,054	230,054	202,328
Depreciation	229,649	229,649	188,407
	<u>1,855,207</u>	<u>1,855,207</u>	<u>1,410,639</u>
Total 2017	<u>1,410,639</u>	<u>1,410,639</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	229,649	188,407
Auditors' remuneration - audit	12,900	5,285
Auditors' remuneration - other services	2,310	5,645
Operating lease rentals	<u>31,667</u>	<u>26,992</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,689,062	2,001,399
Social security costs	218,646	167,420
Operating costs of defined benefit pension schemes	573,303	453,700
	<u>3,481,011</u>	<u>2,622,519</u>
Staff restructuring costs	22,301	5,000
	<u><u>3,503,312</u></u>	<u><u>2,627,519</u></u>

b. Non-statutory/non-contractual staff severance payments

Current year staff restructuring costs comprises of a single non-statutory/non-contractual pension payment. Staff restructuring costs in the prior year comprises of a single non-statutory/non-contractual termination payment.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	75	37
Administration/Support	117	8
Management	8	5
	<u>200</u>	<u>50</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of staff costs in respect of key management personnel was £449,291 (2017: £383,116).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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:

- by reference to the number of pupils on roll

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Blackfield Primary School	78,335	-
Fawley Infant School	14,032	-
Hightown Primary School	36,206	-
Kanes Hill Primary School	61,994	-
	<u>190,567</u>	<u> </u>
Total	<u>190,567</u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of 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:

		2018	2017
		£'000	£'000
C Lowe (Executive Principal)	Remuneration	85-90	85-90
	Pension contributions paid	10-15	10-15

During the year ended 31 August 2018, one trustee received reimbursements of expenses of £317 (2017 - £nil).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Long-term leasehold & freehold land & property £	Building improve- ments £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2017	5,410,942	-	272,111	35,542	272,809	5,991,404
Additions	-	27,329	4,900	-	104,345	136,574
Transfer from Hinkler Academies Trust	3,047,547	91,592	18,587	525	29,759	3,188,010
Transfer between classes	-	232,565	(232,565)	-	-	-
At 31 August 2018	8,458,489	351,486	63,033	36,067	406,913	9,315,988
Depreciation						
At 1 September 2017	273,405	-	36,449	21,933	128,030	459,817
Charge for the year	114,681	26,450	9,834	6,204	72,480	229,649
Transfer between classes	-	25,620	(25,620)	-	-	-
At 31 August 2018	388,086	52,070	20,663	28,137	200,510	689,466
Net book value						
At 31 August 2018	8,070,403	299,416	42,370	7,930	206,403	8,626,522
At 31 August 2017	5,137,537	-	235,662	13,609	144,779	5,531,587

14. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	6,384	-

15. DEBTORS

	2018 £	2017 £
Trade debtors	16,698	8,770
Other debtors	169,701	116,661
Prepayments and accrued income	336,426	433,236
	522,825	558,667

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other loans	5,843	1,922
Trade creditors	279,177	74,704
Other taxation and social security	74,180	39,776
Other creditors	100,109	42,324
Accruals and deferred income	142,789	169,804
	<u>602,098</u>	<u>328,530</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	52,665	50,590
Resources deferred during the year	75,467	52,665
Amounts released from previous years	(52,665)	(50,590)
Deferred income at 31 August 2018	<u>75,467</u>	<u>52,665</u>

Analysis of deferred income

	2018 £	2017 £
UIFSM provisional funding	66,917	44,084
Other income relating to the forthcoming year	8,550	8,581
Total	<u>75,467</u>	<u>52,665</u>

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

	2018 £	2017 £
Other loans	<u>35,980</u>	<u>28,822</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>12,608</u>	<u>13,450</u>

Loans include the following:

- a) Salix loan of £28,823 (2017: £30,744)
- b) Salix loan of £13,000 (2017: £Nil)

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	247,872	189,670	-	-	-	437,542
Restricted funds						
General Annual Grant (GAG)	315,983	3,275,080	(3,312,275)	(136,574)	-	142,214
Pupil premium	-	377,435	(377,435)	-	-	-
Other DfE/ESFA grants	-	139,980	(139,980)	-	-	-
MDIF Grant	-	-	(25,345)	-	-	(25,345)
Local authority grants	-	62,989	(62,989)	-	-	-
Other educational activities	-	187,219	(187,219)	-	-	-
Nursery	4,184	163,539	(163,475)	-	-	4,248
Pension reserve	(652,000)	(852,000)	(138,000)	-	336,000	(1,306,000)
	<u>(331,833)</u>	<u>3,354,242</u>	<u>(4,406,718)</u>	<u>(136,574)</u>	<u>336,000</u>	<u>(1,184,883)</u>
Restricted fixed asset funds						
Fixed asset fund	5,531,587	3,188,010	(229,649)	136,574	-	8,626,522
ESFA/DfE capital grants - devolved formula capital	-	30,461	-	-	-	30,461
ESFA/DfE capital grants - CIF	413,690	(6,680)	(347,816)	-	-	59,194
	<u>5,945,277</u>	<u>3,211,791</u>	<u>(577,465)</u>	<u>136,574</u>	<u>-</u>	<u>8,716,177</u>
Total restricted funds	<u>5,613,444</u>	<u>6,566,033</u>	<u>(4,984,183)</u>	<u>-</u>	<u>336,000</u>	<u>7,531,294</u>
Total of funds	<u>5,861,316</u>	<u>6,755,703</u>	<u>(4,984,183)</u>	<u>-</u>	<u>336,000</u>	<u>7,968,836</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. 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 ESFA 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/ESFA grants

This is funding received from the ESFA for specific purposes.

Multi Academy Trust Development and Improvement Fund (MDIF)

This is income relating to a grant that is anticipated to be received in the 18/19 period when all conditions have been met.

Local authority grants

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

Ministry of Defence grants

This is funding received for special purposes, for example service families.

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/ESFA capital grants

This is money received from the DfE/ESFA 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 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Blackfield Primary School	342,896	391,376
Fawley Infant School	125,014	152,372
Kanes Hill Primary School	96,572	-
Hightown Primary School	19,522	-
Central services	(25,345)	24,291
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	558,659	568,039
Restricted fixed asset fund	8,716,177	5,945,277
Pension reserve	(1,306,000)	(652,000)
	<hr/>	<hr/>
Total	7,968,836	5,861,316
	<hr/> <hr/>	<hr/> <hr/>

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 2018 £	Total 2017 £
Blackfield Primary School	1,736,365	432,945	58,598	861,900	3,089,808	2,873,921
Fawley Infant School	309,390	100,361	13,188	81,109	504,048	574,653
Kanes Hill Primary School	482,318	117,313	12,186	128,274	740,091	-
Hightown Primary School	256,225	68,395	9,627	86,340	420,587	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,784,298	719,014	93,599	1,157,623	4,754,534	3,448,574
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

INSPIRE LEARNING PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Reserves	217,170	30,702	-	-	-	247,872
	<u>217,170</u>	<u>30,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,872</u>
Restricted funds						
General Annual Grant (GAG)	-	2,546,629	(2,221,272)	(9,374)	-	315,983
Pupil premium	-	334,794	(334,794)	-	-	-
Other DfE/ESFA grants	-	60,800	(60,800)	-	-	-
Regional Academy Growth Fund	-	70,000	(70,000)	-	-	-
Sponsor Capacity grant	50,000	-	(50,000)	-	-	-
Local authority grants	-	7,114	(7,114)	-	-	-
Other grants	-	31,850	(31,850)	-	-	-
Other educational activities	-	194,558	(194,558)	-	-	-
Nursery	-	222,723	(218,539)	-	-	4,184
Pension reserve	(824,000)	-	(137,000)	-	309,000	(652,000)
	<u>(774,000)</u>	<u>3,468,468</u>	<u>(3,325,927)</u>	<u>(9,374)</u>	<u>309,000</u>	<u>(331,833)</u>
Restricted fixed asset funds						
Fixed asset fund	5,680,883	-	(188,407)	39,111	-	5,531,587
ESFA/DfE capital grants - devolved formula capital	14,840	14,897	-	(29,737)	-	-
ESFA/DfE capital grants - CIF	-	536,337	(122,647)	-	-	413,690
	<u>5,695,723</u>	<u>551,234</u>	<u>(311,054)</u>	<u>9,374</u>	<u>-</u>	<u>5,945,277</u>
Total restricted funds	<u>4,921,723</u>	<u>4,019,702</u>	<u>(3,636,981)</u>	<u>-</u>	<u>309,000</u>	<u>5,613,444</u>
Total of funds	<u>5,138,893</u>	<u>4,050,404</u>	<u>(3,636,981)</u>	<u>-</u>	<u>309,000</u>	<u>5,861,316</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	217,170	220,372	-	-	-	437,542
	<u>217,170</u>	<u>220,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,542</u>
Restricted funds						
General Annual Grant (GAG)	-	5,821,709	(5,533,547)	(145,948)	-	142,214
Pupil premium	-	712,229	(712,229)	-	-	-
Other DfE/ESFA grants	-	200,780	(200,780)	-	-	-
Regional Academy Growth Fund	-	70,000	(70,000)	-	-	-
Sponsor Capacity grant	50,000	-	(50,000)	-	-	-
MDIF Grant	-	-	(25,345)	-	-	(25,345)
Local authority grants	-	70,103	(70,103)	-	-	-
Other grants	-	31,850	(31,850)	-	-	-
Other educational activities	-	381,777	(381,777)	-	-	-
Nursery	-	386,262	(382,014)	-	-	4,248
Pension reserve	(824,000)	(852,000)	(275,000)	-	645,000	(1,306,000)
	<u>(774,000)</u>	<u>6,822,710</u>	<u>(7,732,645)</u>	<u>(145,948)</u>	<u>645,000</u>	<u>(1,184,883)</u>
Restricted fixed asset funds						
Fixed asset fund	5,680,883	3,188,010	(418,056)	175,685	-	8,626,522
ESFA/DfE capital grants - devolved formula capital	14,840	45,358	-	(29,737)	-	30,461
ESFA/DfE capital grants - CIF	-	529,657	(470,463)	-	-	59,194
	<u>5,695,723</u>	<u>3,763,025</u>	<u>(888,519)</u>	<u>145,948</u>	<u>-</u>	<u>8,716,177</u>
	<u>4,921,723</u>	<u>10,585,735</u>	<u>(8,621,164)</u>	<u>-</u>	<u>645,000</u>	<u>7,531,294</u>
Total of funds	<u><u>5,138,893</u></u>	<u><u>10,806,107</u></u>	<u><u>(8,621,164)</u></u>	<u><u>-</u></u>	<u><u>645,000</u></u>	<u><u>7,968,836</u></u>

INSPIRE LEARNING PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,626,522	8,626,522
Current assets	437,542	759,195	89,655	1,286,392
Creditors due within one year	-	(602,098)	-	(602,098)
Creditors due in more than one year	-	(35,980)	-	(35,980)
Pension reserve	-	(1,306,000)	-	(1,306,000)
	<u>437,542</u>	<u>(1,184,883)</u>	<u>8,716,177</u>	<u>7,968,836</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	5,531,587	5,531,587
Current assets	247,872	677,519	413,690	1,339,081
Creditors due within one year	-	(328,530)	-	(328,530)
Creditors due in more than one year	-	(28,822)	-	(28,822)
Pension reserve	-	(652,000)	-	(652,000)
	<u>247,872</u>	<u>(331,833)</u>	<u>5,945,277</u>	<u>5,861,316</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	1,771,520	413,423
Adjustment for:		
Depreciation charges	229,649	188,407
Increase in stocks	(3,009)	-
Decrease/(increase) in debtors	199,363	(279,217)
Increase/(decrease) in creditors	69,610	(52,909)
Transfer from an existing academy trust	(2,512,152)	-
Pension adjustments	138,000	137,000
Net cash (used in)/provided by operating activities	(107,019)	406,704

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	252	-
Notice deposits (less than 3 months)	756,931	780,414
Total	757,183	780,414

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	65,875	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. 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 2016.

Contributions amounting to £76,706 were payable to the schemes at 31 August 2018 (2017 - £39,269) 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

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.
- 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 TPS in the period amounted to £256,708 (2017 - £193,597).

INSPIRE LEARNING PARTNERSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
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23. 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 an unfunded 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 2018 was £284,000 (2017 - £182,000), of which employer's contributions totalled £224,000 (2017 - £137,000) and employees' contributions totalled £60,000 (2017 - £45,000). The agreed contribution rates for future years are 15.1% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
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:

	2018	2017
Retiring today		
Males	24.1	24.0
Females	27.2	27.0
Retiring in 20 years		
Males	26.2	26.0
Females	29.4	29.3

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	4,615,000	1,754,000
Discount rate -0.1%	4,828,000	1,841,000
Mortality assumption - 1 year increase	4,853,000	1,850,000
Mortality assumption - 1 year decrease	4,587,000	1,744,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,182,000	701,000
Property	236,000	74,000
Government bonds	782,000	284,000
Corporate bonds	41,000	13,000
Cash and other liquid assets	78,000	34,000
Other	95,000	39,000
Total market value of assets	<u>3,414,000</u>	<u>1,145,000</u>

The actual return on scheme assets was £169,000 (2017 - £100,000).

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

	2018 £	2017 £
Current service cost	(318,000)	(259,000)
Past service cost	(23,000)	-
Net interest cost	(21,000)	(15,000)
Total	<u>(362,000)</u>	<u>(274,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,797,000	1,703,000
Current service cost	318,000	259,000
Transferred in on existing academies joining the trust	2,719,000	-
Interest cost	68,000	34,000
Employee contributions	60,000	45,000
Actuarial gains	(214,000)	(228,000)
Benefits paid	(51,000)	(16,000)
Past service costs	23,000	-
Closing defined benefit obligation	<u>4,720,000</u>	<u>1,797,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,145,000	879,000
Transferred in on existing academies joining the trust	1,867,000	-
Interest income	47,000	19,000
Actuarial losses	122,000	81,000
Employer contributions	224,000	137,000
Employee contributions	60,000	45,000
Benefits paid	(51,000)	(16,000)
	<u>3,414,000</u>	<u>1,145,000</u>
Closing fair value of scheme assets	<u>3,414,000</u>	<u>1,145,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	32,462	26,314
Between 1 and 5 years	13,831	24,209
	<u>46,293</u>	<u>50,523</u>
Total	<u>46,293</u>	<u>50,523</u>

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Thornhill Vineyard Church - an organisation of which J Crandon is a Trustee.

During the period, Thornhill Vineyard Church hired facilities at Kanes Hill Primary School for a hire charge of £300.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

26. 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.

27. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST

On 1 May 2018, the Hinkler Academies Trust and all the operations and assets and abilities were transferred to the Inspire Learning Partnership for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain of £2,512,152 in the Statement of Financial Activities as a donation from an existing academy trust. The inherited funds have been ring-fenced for the benefit of the Hinkler pupils which covers Kanesh Hill and Hightown Schools.

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

INSPIRE LEARNING PARTNERSHIP
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FOR THE YEAR ENDED 31 AUGUST 2018**

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold land & buildings	3,047,547	-	3,047,547
Building improvements	91,592	-	91,592
Motor vehicles	525	-	525
Office equipment	18,587	-	18,587
Computer equipment	29,759	-	29,759
	<u>3,188,010</u>	<u>-</u>	<u>3,188,010</u>
Current assets			
Stock	3,375	-	3,375
Debtors due within one year	163,521	-	163,521
Cash in bank and in hand	220,362	-	220,362
	<u>387,258</u>	<u>-</u>	<u>387,258</u>
Liabilities			
Creditors due within one year	(204,116)	-	(204,116)
Creditors due after one year	(7,000)	-	(7,000)
	<u>(211,116)</u>	<u>-</u>	<u>(211,116)</u>
Pension liability			
Pension scheme assets	1,867,000	-	1,867,000
Pension scheme liabilities	(2,719,000)	-	(2,719,000)
	<u>(852,000)</u>	<u>-</u>	<u>(852,000)</u>
Total	<u><u>2,512,152</u></u>	<u><u>-</u></u>	<u><u>2,512,152</u></u>