

REGISTERED COMPANY NUMBER: 08657945 (England and Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2016
for
Inspirational Learning Academies Trust**

Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

Inspirational Learning Academies Trust

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Inspirational Learning Academies Trust

Reference and Administrative Details for the Year Ended 31st August 2016

| | | |
|----------------------------------|---|---|
| Members | Mr A E Irving Mrs E Harvey Mrs L Barrow | |
| Trustees | Mrs E Harvey Mr A E Irving Rev A Ballard Mrs L Barrow | |
| Senior Management Team | Mrs H Stocking Mrs M Baker Mrs M Rizk Mr A Clewes | Executive Head Teacher Head of Newstead Primary Academy Head of Norton Le Moors Academy Head of Whitfield Valley Primary Academy |
| Registered office | Waterside Drive Newstead Blurton Stoke on Trent Staffordshire ST3 3LQ | |
| Registered company number | 08657945 (England & Wales) | |
| Auditors | Hardings Chartered Accountants & Statutory Auditor 6 Marsh Parade Newcastle-under-Lyme Staffordshire ST5 1DU | |
| Solicitors | Stone King LLP Solicitors 16 St. John's Lane London EC1M 4BS | |
| Bankers | Lloyds Bank PLC The Strand Longton Stoke-on-Trent Staffordshire ST3 2RP | |

**Report of the Trustees
for the Year Ended 31st August 2016**

The trustees of Inspirational Learning Academies Trust present their annual report together with the audited financial statements for the period from 1st September 2015 to 31st August 2016. The annual report serves the purpose of both a trustees' report, and a directors' report including a strategic report under company law.

The Trust was incorporated on 1st November 2013 and operates as an academy for pupils aged 3-11. There are currently three academies within the Trust with a combined capacity of 1,047 and a roll of 901 at the end of the Academic Year 2016. The Trust changed its name in November 2015 from Newstead Multi Academy Trust to Inspirational Learning Academies Trust. The three Academies within the Trust are Newstead Primary Academy, Norton-Le-Moors Primary Academy and Whitfield Valley Primary Academy.

Objectives and activities

The vision of the Trust is simple - Every child receives an outstanding education and reaches their full potential through a highly stimulating curriculum with many opportunities to experience the world outside of the classroom.

The Trust currently has a group of 3 schools who work together to realise the vision and provide an excellent service to the children, parents and local community.

Whilst each school works coherently to realise the aims and vision of the Trust they also have their own individual school development plans to ensure that each school is highly effective at meeting its own performance and outcome targets for children in the school. Each school maintains its autonomy to deliver on their plans to ensure that each child makes good or better progress. Termly Raising Attainment Plans are written and shared among staff to ensure pupil progress and attainment remains at the heart of school improvement.

**Report of the Trustees
for the Year Ended 31st August 2016**

Objectives and activities

Significant activities

The main objectives of the Trust during the period ending 31 August 2016 are summarised below for each Academy:-

Inspirational Learning Academies Development Plan

Priorities for Academic Year 2015/16

1. Effectiveness of Leadership in and Management of the School

- a. Develop 2 new Senior Leaders within the SLT - additional AHTs to team.
- b. Develop subject leaders in line with new Ofsted framework.

2. Quality of Teaching, Learning and Assessment

- a. Maintain standards in teaching to 90% consistently good with 50% outstanding (taking into account 1 X NQT being at RI during her training year).
- b. To ensure that teaching staff only accept children's best work and develop presentation and handwriting amongst children and staff.
- c. Further develop marking to ensure that children use "fix its" in their future work as targets to move learning forward.

3. Personal Development, Behaviour and Welfare

- a. Ensure children respect ALL others from different faiths and cultures.
- b. Develop children's confidence and understanding to contribute to the wider society and life in modern Britain.
- c. Respect the British Values of the country we live in whilst learning about other values in other countries.
- d. To further develop pupil awareness of how to prevent the misuse of technology.

4. Outcomes for Children

- a. Use new assessment tool against delivery of new National Curriculum to ensure raised standards of achievement (expected and exceeding age related) against higher bench marks for each year group assessment point.
- b. Close gap in SPAG attainment at end of KS2 to be above national average (2014 results broadly in line with national with PP children slightly below Non PP).
- c. Monitor higher achieving children specifically in maths to ensure higher than age expected levels are above national (2014 results broadly in line with higher level nationally with no gap between PP and non PP).

Norton-le-Moors Primary Academy Development Plan

Key Priorities for Academic Year 2015/16

1. Effectiveness of Leadership in and Management of the School

- a. Further develop Senior Leaders within the SLT.
- b. Develop subject leaders in line with new Ofsted framework.
- c. To ensure that the progress of disadvantaged pupils is in line with national expectations and the gap between disadvantaged pupils and non-disadvantaged pupils continues to narrow.

2. Quality of Teaching, Learning and Assessment

- a. Develop standards in teaching to 88% consistently good (taking into account 1 X NQT being at RI during her training year).
- b. To ensure that teaching staff only accept children's best work and develop presentation and handwriting amongst children and staff.
- c. Further develop marking to ensure that children use "fix its" in their future work as targets to move learning forward.
- d. To continue to ensure that the quality and quantity of pupil's writing is consolidated in order to achieve higher standards, especially for boys.
- e. To ensure that there is sufficient challenge for middle and higher ability pupils to enable them to make more rapid progress.

3. Personal Development, Behaviour and Welfare

- a. Ensure children respect ALL others from different faiths and cultures.
- b. Develop children's confidence and understanding to contribute to the wider society and life in modern Britain
- c. Respect the British Values of the country we live in whilst learning about other values in other countries.
- d. To further develop pupil awareness of how to prevent the misuse of technology.

**Report of the Trustees
for the Year Ended 31st August 2016**

Objectives and activities

Significant activities

- e. To further develop pupils understanding of the impact of bullying and prejudiced behaviours on pupils' wellbeing through effective PHSE lessons and use of external agencies.

4. Outcomes for Children

- a. Use new assessment tool against delivery of new National Curriculum to ensure raised standards of achievement (expected and exceeding age related) against higher bench marks for each year group assessment point.
- b. Close gap in higher attaining pupils at end of EY & KS2 to be in line with national average (2015 results below national).
- c. Close gap between PP and non PP children at the end of EY, KS1 and KS2 in all key areas.
- d. Further develop opportunities for pupils to apply skills in English and Maths to other areas of the curriculum
- e. To continue to raise standards in writing, closing the gender gap between boys and girls.

5. Effectiveness of the Early Years provision; Quality and Standards

- a. To ensure that pupils make better than expected progress given their starting points.
- b. The gaps between disadvantaged and non-disadvantaged pupils closes.

**Whitfield Valley Primary Academy School Development Plan
2015/16 School Priorities**

1. Effectiveness of Leadership in and Management of the School

- a. To ensure that middle leadership roles are securely embedded within the school - teachers to have a secure understanding of their roles and to confidently discuss and evidence tracking of planning and progress.
- b. To ensure that Senior Leaders receive high quality training and development to allow them to continue to develop strategies to ensure high quality provision for all pupils and to hold all staff to account.

2. Quality of Teaching, Learning and Assessment

- a. To ensure that teaching staff only accept children's best work and develop presentation and handwriting amongst children and staff.
- b. Further develop marking to ensure that children use "fix its" in their future work as targets to move learning forward.
- c. To ensure that the impact of teaching on attainment and progress over time is consistently good or better by continually increasing the proportion of teaching which is judged Good or better (taking account of 2 x NQT working initially at R1).
- d. To provide a learning environment which promotes the enrichment of language and vocabulary.
- e. To develop EYFS outdoor learning space to promote engagement.

3. Personal Development, Behaviour and Welfare

- a. Ensure children respect ALL others from different faiths and cultures.
- b. Develop children's confidence and understanding to contribute to the wider society and life in modern Britain.
- c. Respect the British Values of the country we live in whilst learning about other values in other countries.
- d. To continue to develop learning behaviour across all year groups.

4. Outcomes for Children

- a. Use new assessment tool against delivery of new National Curriculum to ensure raised standards of achievement (expected and exceeding age related) against higher bench marks for each year group assessment point.
- b. Close gap in SPAG attainment at end of KS2 to be above national average (2014 results broadly in line with national with PP children slightly below Non PP)
- c. Monitor higher achieving children specifically in maths to ensure higher than age expected levels are above national (2014 results broadly in line with higher level nationally with no gap between PP and non PP)
- d. To improve achievement and progress in writing in all year groups with a particular focus on closing the gap between girls and boys so that boys' attainment is at least in line with girls'.

**Report of the Trustees
for the Year Ended 31st August 2016**

Objectives and activities

Public benefit

The Trust provides educational services to all children in the local areas and offers facilities to a variety of local community groups outside the school hours. The Academies offer a wide range of family and adult learning opportunities and the facilities are frequently used by other agencies such as brownies, karate classes, football teams etc. The trust fully complies with all statutory guidance. Other examples of activities the Trust has ensured charitable purposes for public benefit include the following:

- Free School Uniforms for all pupils
- Free PE Kit for all pupils
- All educational visits fully funded (excluding residential)

**Report of the Trustees
for the Year Ended 31st August 2016**

Strategic report

Achievement and performance

Charitable activities

Below are the 2016 results for Key Stage 1 and Key Stage 2.

The levels have been replaced for the first time to reflect assessment in the new curriculum.

Age Related Experience (ARE) is the appropriate term for a pupil meeting the required year/group end of key stage standard.

NEWSTEAD PRIMARY ACADEMY

Key Stage 1

| Academy | | National | |
|---------|-------------------------------|----------|-----------------------|
| 83% | Level 2 ARE and above Reading | 74% | Level 2 ARE and above |
| 80% | Level 2 ARE and above Writing | 66% | Level 2 ARE and above |
| 87% | Level 2 ARE and above Maths | 73% | Level 2 ARE and above |

Key Stage 2

| Academy | | National | |
|---------|------------------------------|----------|----------------------|
| 65% | Year 6 ARE and above Reading | 66% | Year 6 ARE and above |
| 88% | Year 6 ARE and above Writing | 74% | Year 6 ARE and above |
| 59% | Year 6 ARE and above Maths | 70% | Year 6 ARE and above |
| 79% | Year 6 ARE and above SPAG | 72% | Year 6 ARE and above |

Combined Reading Writing and Maths

| | | | |
|-----|----------------------|-----|----------------------|
| 53% | Year 6 ARE and above | 53% | Year 6 ARE and above |
|-----|----------------------|-----|----------------------|

NORTON-LE-MOORS PRIMARY ACADEMY

Key Stage 1

| Academy | | National | |
|---------|------------------------------|----------|----------------------|
| 83% | Year 2 ARE and above Reading | 74% | Year 2 ARE and above |
| 79% | Year 2 ARE and above Writing | 66% | Year 2 ARE and above |
| 83% | Year 2 ARE and above Maths | 73% | Year 2 ARE and above |

Key Stage 2

| Academy | | National | |
|---------|------------------------------|----------|----------------------|
| 83% | Year 6 ARE and above Reading | 66% | Year 6 ARE and above |
| 86% | Year 6 ARE and above Writing | 74% | Year 6 ARE and above |
| 90% | Year 6 and above Maths | 70% | Year 6 ARE and above |
| 83% | Year 6 ARE and above SPAG | 72% | Year 6 ARE and above |

Combined Reading Writing and Maths

| | | | |
|-----|----------------------|-----|----------------------|
| 79% | Year 6 ARE and above | 53% | Year 6 ARE and above |
|-----|----------------------|-----|----------------------|

**Report of the Trustees
for the Year Ended 31st August 2016**

Strategic report
Achievement and performance
Charitable activities

WHITFIELD VALLEY PRIMARY ACADEMY

Key Stage 1

| Academy | | National | |
|---------|------------------------------|----------|----------------------|
| 75% | Year 2 ARE and above Reading | 74% | Year 2 ARE and above |
| 75% | Year 2 ARE and above Writing | 66% | Year 2 ARE and above |
| 77% | Year 2 ARE and above Maths | 73% | Year 2 ARE and above |

Key Stage 2

| Academy | | National | |
|---------|------------------------------|----------|----------------------|
| 44% | Year 6 ARE and above Reading | 66% | Year 6 ARE and above |
| 79% | Year 6 ARE and above Writing | 74% | Year 6 ARE and above |
| 36% | Year 6 ARE and above Maths | 70% | Year 6 ARE and above |
| 79% | Year 6 ARE and above SPAG | 72% | Year 6 ARE and above |

Combined Reading Writing and Maths

| | | | |
|-----|----------------------|-----|----------------------|
| 53% | Year 6 ARE and above | 53% | Year 6 ARE and above |
|-----|----------------------|-----|----------------------|

Key financial performance indicators

The main financial performance indicator that Inspirational Learning Academies Trust uses to monitor the financial position of the Academy is to ensure that delegate funds are not being overspent and that reserves are not being kept to an extreme level over and beyond the agreed balances policy. Also to ensure funds are being spent appropriately on the current pupils of each Academy.

Staffing costs are calculated according to the key objectives of the Academy to ensure that pupils make the required progress. The Local Advisory Body monitor and review costs of running the building.

Financial review

Principal funding sources

The Trust's accounting year is from 1st September to 31st August in any year.

Most of the Trust's income is derived from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31st August 2016, and associated expenditure, are shown as restricted funds in the statement of financial activities.

All expenditure of the Academy Trust is made in line with the Academies Finance Policy which supports the provision of education of all pupils on roll.

Investment policy and objectives

Investments must be made only in accordance with written procedures approved by the Local Advisory Body under the Trust's separate Investment Policy contained within the Trust's finance policy.

Reserves policy

The Budget is managed in line with the Trust's Balances and Reserves Policy which is reviewed annually.

**Report of the Trustees
for the Year Ended 31st August 2016**

Strategic report

Financial review

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 Accounting Policies note of the financial statements.

Principal risks and uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than eliminate it. Actions to mitigate the risk have been planned for. Principal risks and uncertainties as noted by the trustees are:-

- Change in government funding regime.
- Pupil numbers decline resulting in loss of revenue. This could be caused by pupils failing to make good progress and unsatisfactory Ofsted report of loss of reputation.
- The school may not be able to function in the event of staffing issues such as loss of Senior Management, epidemic sickness or long term sickness.
- Inappropriate or insufficient financial controls and systems.
- Fraudulent activity.
- Financial commitments made without adequate authorisation.

Financial and risk management objectives and policies

The trustees of Inspirational Learning Academies Trust are responsible for the management of the risks faced by the Academies. Risks are identified and assessed in a risk register. Actions taken and actions required to control these risks are noted throughout the year. The major risks to which the academies are exposed to have been reviewed and systems have been developed to monitor and control those risks to mitigate any impact that they may have on the Academies in the future

During the year ended 31st August 2016, total expenditure of £5,063,601 was covered by recurrent grant funding from the EFA/Dfe of £4,582,344 and total other income of £251,876. There was an excess of expenditure over income of £229,381.

At 31st August 2016 the net book value of fixed assets was £10,328,109 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

A full provision has been made to cover the deficit on the Local Government pension scheme of £1,416,000 as at 31st August 2016. The Trust has entered into a programme of increased contribution rates in order to attempt to reduce the deficit.

The Trust held fund deficits at 31st August of £236,344 restricted funds before a pension deficit on the LGPS of £1,416,000 and £10,328,109 of restricted fixed asset funds. Details regarding the circumstances leading to this deficit, and the Trust's recovery plan, are given in note 20 to the financial statements.

Risk is managed at Inspirational Learning Academies Trust through sound financial practice stipulated in the Trust's finance policy. The Trust operates a strong Scheme of Delegation Policy and an improving internal audit system to ensure financial procedures are correctly adhered to on a regular basis.

The Trust is committed to strengthening the structure of the finance department across the Trust and securing more expertise in each academy. Financial software has been installed across the Trust to allow collaborative working. Financial procedures and practices have been adopted by each Academy to improved internal auditing with the advice from external auditors to obtain best practice.

**Report of the Trustees
for the Year Ended 31st August 2016**

Strategic report

Future plans

Inspirational Learning Academies Trust Development Plan

Key Priorities for the Trust Academic Year 2016/17

1. Effectiveness of Leadership in and Management of the School

- a. Executive Head Teacher to develop/coach and lead changes to SLTs in all schools within the Trust.
- b. Develop new posts of Phase Leaders across each school.

2. Quality of Teaching, Learning and Assessment

- a. Maintain standards in teaching by ensuring that:
 - All Leadership scale teachers can role model outstanding practice across all aspects of school provision.
 - All Upper pay scale teachers make a significant impact on the quality of provision in their own classroom and to that of the wider school community.
 - All main scale teachers (including UQ grade) are triangulated as consistently good practitioners.
 - All NQT's have an experienced mentor and complete their year moving towards consistently good practitioners.
 - All Teach First/Graduate Trainee participants complete their year securely at RI ready to work towards the National Teaching Standards.
- b. To ensure that teaching staff only accept children's best work and develop presentation and handwriting amongst children and staff.
- c. Revisit the teaching of arithmetic to develop better strategies for computation and developing the basic skills of the 4 key areas.
- d. Children to be secure in all times tables up to and including 12.
- e. Engage with external Maths consultant to develop above priorities across all year groups in KS2.

3. Personal Development, Behaviour and Welfare

- a. Ensure children respect ALL others from different faiths and cultures.
- b. Develop children's confidence and understanding to contribute to the wider society and life in modern Britain.
- c. Respect the British Values of the country we live in whilst learning about other values in other countries.
- d. To further develop pupil awareness of how to prevent the misuse of technology.
- e. Develop new behaviour action plan to identify low level poor attitude issues at speed to ensure no loss of learning time.

4. Outcomes for Children

- a. Use new assessment tool against delivery of new National Curriculum to ensure raised standards of achievement (working at expected and working at greater depth age related) against higher bench marks for each year group assessment point.
- b. Close gap between girls and boys attainment across all year groups in KS1 and 2.
- c. Ensure children working at Greater depth at end of KS1 are monitored to ensure continued high performance throughout KS2.
- d. Adequately prepare children for test conditions by providing half termly tests in Reading, Writing and Maths.

5. Effectiveness of Leadership in and Management of the School

- a. Executive Head Teacher to develop/coach and lead changes to SLTs in all schools within the Trust.
- b. Develop new posts of Phase Leaders across each school.

Individual school development plans recognise the Trust's key priorities.

Structure, governance and management

Governing document

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

The trustees of Inspirational Learning Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Inspirational Learning Academies Trust. Details of the trustees who served during the period except as noted are included in the Reference and Administrative Details on page 1.

**Report of the Trustees
for the Year Ended 31st August 2016**

Structure, governance and management

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 a year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on the academy's business. The insurance provides cover up to £1,000,000 on any one claim.

Recruitment and appointment of new trustees

The members of the Trust are responsible for the appointment of trustees except parent and staff trustees who will be appointed through an election process directed by the governing body.

Organisational structure

The structure of the Trust consists of a Board of Trustees and a Local Advisory Body. Decisions delegated to the board of trustees and their Local Advisory Bodies are defined in the Finance Policy and Procedure manual and the financial scheme of delegation.

The management structure of the Trust consists of an Executive Head Teacher, a Head of School in each Academy and Assistant Head Teacher posts in each Academy. There is also an Executive School Business Manager for the Trust and a School Business Manager in each Academy. These posts constitute the Senior Leadership Team of each Academy.

The Senior Leadership Team are responsible for the day to day leadership and management of each of the Academies which includes acting on strategic decisions made by the Trustees and Local Advisory Body members in line with each Academy Development plan.

Induction and training of new trustees

The Trust buys into the professional services of the Governor Support Unit at Stoke on Trent City Council. They provide induction packs for all new governors and also provide full Governing Body training through an annual course directory which is presented at the trustee meetings. Courses are reviewed annually to reflect any changes in practice and legislation. The members of the Trust are responsible for the appointment of trustees except parent trustees and staff trustees who will be appointed through an election process directed by the governing body.

All trustees are provided with relevant copies of policies, procedures, minutes, accounts, budgets, plans and any other document that will support them in carrying out their role as trustee. They are encouraged to take part in the Induction Training Course run by the Local Authority Governor Support Unit once elected. All policies and procedures are reviewed annually by the Trustees.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust has adopted the local authority Pay and Conditions Whole School Pay Policy. The policy has been formally adopted by the trustees and is reviewed annually. The policy has been drafted in consultation with recognised Teaching Trade Unions and Professional Association and representation from LCG Support Staff. The aims and objectives for the school as a whole are set out in the School Development Plan. The policy aims to support the School Development Plan by recognising that the school staff are its most important resource and by providing a system which will enable the Trustees to recruit, retain and motivate staff of the best quality. The policy is based on a 'whole school' approach to pay issues. Pay decisions will be taken in the context of full consideration of the resources to the school.

Funds held as custodian for others

There are no funds held as Custodian Trustee on behalf of others.

**Report of the Trustees
for the Year Ended 31st August 2016**

Auditors

Insofar as the trustees are aware:

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

The auditors, Hardings Chartered Accountants, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 December 2016 and signed on the board's behalf by:


.....
Rev A Ballard - Trustee

Inspirational Learning Academies Trust

Governance Statement for the Year Ended 31st August 2016

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 Inspirational Learning Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information of governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times from the 1st September 2015 to 31st August 2016

| | Meetings Attended | Out of a possible |
|---|----------------------|-------------------|
| Mrs E Harvey - Trustee | 6 | 6 |
| Mr G Tinsley - Trustee | 0 | 6 |
| Mr A Irving - Trustee | 6 | 6 |
| Rev A Ballard - Trustee | 6 | 6 |
| Mrs L Barrow - Trustee | 6 | 6 |
| Mrs H Stocking - Executive Head teacher | 6 | 6 |
| Mrs M Baker - Head of School (Newstead) | 6 | 6 |
| Mrs M Rizk - Head of School (Norton) | 6 | 6 |
| Mrs J Lomas - Head of School (Whitfield Valley) to April 16 | 4 | 6 |
| Mr A Clewes - Head of School (Whitfield Valley) from April 16 | 2 | 6 |
| Miss K Sherrell - Executive School Business Manager | 6 | 6 |

Sadly Mr Graham Tinsley (Trustee) passed away in April 2016 after a short and sudden illness.

The trustees have set up a Local Advisory Body to assist the decision making of the board of trustees, by enabling more detailed consideration to be given to the best means of fulfilling the board of trustees' responsibilities to ensure sound management of the Trust's finances and resources. They will be able to make appropriate comments and recommendations on such matters to the trustees on a regular basis and major issues will be referred to the full board of trustees for ratification.

Review of Value for Money

As accounting officer the Executive Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wide societal outcomes achieved in return for the taxpayer resources received.

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

- Notice to terminate Local Authority HR Support. The Trust has employed SAS Daniels for their HR Consultancy on a permanent basis from January 1st 2016

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspirational Learning Academies Trust for the year ended 31st August 2016 and up to the date of approval of the annual report and financial statements.

Inspirational Learning Academies Trust

Governance Statement for the Year Ended 31st August 2016

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process of identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31st August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees.
- Regular reviews by the Trustees/LAB 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
- Delegation of authority and segregation of duties
- Identification of management of risks

The trustees have appointed Hardings Chartered Accountants to carry out an additional programme of work to supplement the external audit arrangements.

Review of Effectiveness

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

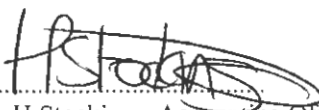
- The work of the Responsible Officer
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers with the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 15 December 2016 and signed on its behalf by:



Rev A Ballard - Trustee



Mrs H Stocking - Accounting Officer

Inspirational Learning Academies Trust

Statement on Regularity, Propriety and Compliance for the Year Ended 31st August 2016

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

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

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



.....
Mrs H Stocking - Accounting Officer

Date: 15 December 2016

Inspirational Learning Academies Trust

Statement of Trustees Responsibilities for the Year Ended 31st August 2016

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

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

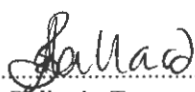
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 15 December 2016 and signed on its behalf by:



.....
Rev A Ballard - Trustee

**Report of the Independent Auditors to the Members of
Inspirational Learning Academies Trust (Registered number: 08657945)**

We have audited the financial statements of Inspirational Learning Academies Trust for the year ended 31st August 2016 on pages nineteen to forty one. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page fifteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
Inspirational Learning Academies Trust (Registered number: 08657945)**

Matters on which we are required to report by exception

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

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



TIMOTHY McNEAL FCA (Senior Statutory Auditor)
for and on behalf of Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

Date: 15 December 2016

**Independent Reporting Accountant's Assurance Report on Regularity to
Inspirational Learning Academies Trust and the Education Funding Agency (Registered number: 08657945)**

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

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

Respective responsibilities of Inspirational Learning Academies Trust's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

Conclusion

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

Hardings
Chartered Accountants
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

Date: 15 December 2016

Inspirational Learning Academies Trust

Statement of Financial Activities
for the Year Ended 31st August 2016

| | | | | 31/8/16 | 31/8/15 | |
|--|-------|----------------------|-------------------------------------|---------------------|-------------|-------------|
| | | Unrestricted fund | Restricted fixed assets funds | Restricted funds | Total funds | Total funds |
| | Notes | £ | £ | £ | £ | £ |
| Income and endowments from | | | | | | |
| Donations and capital grants | 2 | - | 31,526 | 37,260 | 68,786 | 47,994 |
| Transfer from Local Authority on conversion | | - | - | - | - | 4,068,979 |
| Charitable activities | | | | | | |
| Funding for the academy's educational operations | 3 | - | - | 4,582,344 | 4,582,344 | 3,371,884 |
| Other trading activities | 4 | 35,109 | - | 147,595 | 182,704 | 260,189 |
| Investment income | 5 | 386 | - | - | 386 | 212 |
| Total | | 35,495 | 31,526 | 4,767,199 | 4,834,220 | 7,749,258 |
| | | | | | | |
| Expenditure on | | | | | | |
| Raising funds | 7 | - | - | 91,225 | 91,225 | 79,118 |
| Charitable activities | | | | | | |
| Academy's educational operations | | 40,616 | 254,895 | 4,676,865 | 4,972,376 | 3,646,239 |
| Total | 6 | 40,616 | 254,895 | 4,768,090 | 5,063,601 | 3,725,357 |
| | | | | | | |
| Net income/(expenditure) | | (5,121) | (223,369) | (891) | (229,381) | 4,023,901 |
| Transfers between funds | 20 | - | 358,367 | (358,367) | - | - |
| | | | | | | |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/losses on defined benefit schemes | | - | - | (244,000) | (244,000) | 16,000 |
| Net movement in funds | | (5,121) | 134,998 | (603,258) | (473,381) | 4,039,901 |
| | | | | | | |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 5,121 | 10,193,111 | (1,049,086) | 9,149,146 | 5,109,245 |
| Total funds carried forward | | - | 10,328,109 | (1,652,344) | 8,675,765 | 9,149,146 |

The notes form part of these financial statements

Inspirational Learning Academies Trust (Registered number: 08657945)

Balance Sheet
At 31st August 2016

| | | | | 31/8/16 | 31/8/15 | |
|--|-------|------------------------|---------------------------------------|-----------------------|------------------|------------------|
| | Notes | Unrestricted fund £ | Restricted fixed assets funds £ | Restricted funds £ | Total funds £ | Total funds £ |
| Fixed assets | | | | | | |
| Tangible assets | 14 | - | 10,328,109 | - | 10,328,109 | 10,193,111 |
| Current assets | | | | | | |
| Stocks | 15 | - | - | 29,656 | 29,656 | 27,900 |
| Debtors | 16 | - | - | 281,525 | 281,525 | 196,284 |
| Cash at bank | | - | - | 83,635 | 83,635 | 212,669 |
| | | - | - | 394,816 | 394,816 | 436,853 |
| Creditors | | | | | | |
| Amounts falling due within one year | 17 | - | - | (631,160) | (631,160) | (421,818) |
| Net current assets/(liabilities) | | - | - | (236,344) | (236,344) | 15,035 |
| Total assets less current liabilities | | - | 10,328,109 | (236,342) | 10,091,765 | 10,208,146 |
| Pension liability | 21 | - | - | (1,416,000) | (1,416,000) | (1,059,000) |
| Net assets | | - | 10,328,109 | (1,652,344) | 8,675,765 | 9,149,146 |
| Funds | | | | | | |
| Unrestricted funds | 20 | | | | - | 5,121 |
| Restricted funds | | | | | 8,675,765 | 9,144,025 |
| Total funds | | | | | 8,675,765 | 9,149,146 |

The financial statements were approved by the Board of Trustees on 15 December 2016 and were signed on its behalf by:


.....
Rev A Ballard -Trustee

Inspirational Learning Academies Trust

Cash Flow Statement for the Year Ended 31st August 2016

| | | 31/8/16 | 31/8/15 |
|---|-------|----------------------|-----------------------|
| | Notes | £ | £ |
| Cash flows from operating activities: | | | |
| Cash generated from operations | 24 | <u>219,019</u> | <u>193,051</u> |
| Net cash provided by (used in) operating activities | | <u>219,019</u> | <u>193,051</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (379,965) | (163,640) |
| Capital grants from DfE/EFA | | 31,526 | 21,169 |
| Interest received | | <u>386</u> | <u>212</u> |
| Net cash provided by (used in) investing activities | | <u>(348,053)</u> | <u>(142,259)</u> |
| Change in cash and cash equivalents in the reporting period | | (129,034) | 50,792 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>212,669</u> | <u>161,877</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>83,635</u></u> | <u><u>212,669</u></u> |

The notes form part of these financial statements

Inspirational Learning Academies Trust

Notes to the Financial Statements for the Year Ended 31st August 2016

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Inspirational Learning Academies Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

1. Accounting policies - continued

Donated goods, facilities and services

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

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

1. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|----------------------------|---|
| Leasehold land & buildings | - over the expected useful economic life* |
| Fixtures and fittings | - 15% on reducing balance |
| Motor vehicles | - 20% on cost |
| Computer equipment | - 33% on cost |

*Note that no depreciation is charged on any land included above.

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Stocks

Unsold uniforms, stationery and curriculum supplies are valued at the lower of cost or net realisable value.

Taxation

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

1. Accounting policies - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes and include grants from the Education Funding Agency.

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2013 has been used by the actuary in valuing the pensions liability at 31st August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

2. Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | 31/8/16 Total funds £ | 31/8/15 Total funds £ |
|--------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Grants | - | 31,526 | 31,526 | 21,169 |
| Educational visits | - | 37,260 | 37,260 | 26,825 |
| | - | 68,786 | 68,786 | 47,994 |

Grants received, included in the above, are as follows:

| | 31/8/16 £ | 31/8/15 £ |
|----------------|--------------|--------------|
| Capital grants | 31,526 | 21,169 |

3. Funding for the academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | 31/8/16 Total funds £ | 31/8/15 Total funds £ |
|-------------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| DfE/EFA revenue grant | | | | |
| General Annual Grant(GAG) | - | 3,382,873 | 3,382,873 | 2,503,891 |
| Set up grant | - | - | - | 70,000 |
| Other DfE / EFA grants | - | 719,176 | 719,176 | 525,046 |
| | - | 4,102,049 | 4,102,049 | 3,098,937 |
| Other government grant | | | | |
| Local Authority grants | - | 480,295 | 480,295 | 272,947 |
| | - | 4,582,344 | 4,582,344 | 3,371,884 |

4. Other trading activities

| | Unrestricted funds £ | Restricted funds £ | 31/8/16 Total funds £ | 31/8/15 Total funds £ |
|------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Catering income | - | 105,898 | 105,898 | 74,763 |
| Staff insurance claims | - | 21,288 | 21,288 | 5,242 |
| Other income | 35,109 | 20,409 | 55,518 | 180,184 |
| | 35,109 | 147,595 | 182,704 | 260,189 |

Other generated income includes funds received for the recharge of staff and services.

Inspirational Learning Academies Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

5. Investment income

| | Unrestricted funds £ | Restricted funds £ | 31/8/16 Total funds £ | 31/8/15 Total funds £ |
|--------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Deposit account interest | <u>386</u> | <u>-</u> | <u>386</u> | <u>212</u> |

6. Expenditure

| | Staff costs £ | Non-pay expenditure | | 31/8/16 Total £ | 31/8/15 Total £ |
|---|------------------|---------------------|------------------|-----------------------|-----------------------|
| | | Premises £ | Other costs £ | | |
| Raising funds | | | | | |
| Costs of fundraising | - | - | 91,225 | 91,225 | 79,118 |
| Charitable activities | | | | | |
| Academies educational operations | | | | | |
| Direct costs | 2,771,247 | - | 448,484 | 3,219,731 | 2,314,057 |
| Allocated support costs | <u>605,036</u> | <u>765,814</u> | <u>381,795</u> | <u>1,752,645</u> | <u>1,332,182</u> |
| | <u>3,376,283</u> | <u>765,814</u> | <u>921,504</u> | <u>5,063,601</u> | <u>3,725,357</u> |

Net resources are stated after charging/(crediting) :

| | Year Ended 31/08/16 £ | Year Ended 31/08/15 £ |
|---------------------------------|-----------------------------|-----------------------------|
| Auditor's remuneration | 7,900 | 6,900 |
| Depreciation - owned assets | 120,097 | 72,708 |
| Depreciation - leasehold assets | <u>124,870</u> | <u>68,965</u> |

7. Raising funds

Costs of fundraising

| | Unrestricted funds £ | Restricted funds £ | 31/8/16 Total funds £ | 31/8/15 Total funds £ |
|--------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Educational visits | <u>-</u> | <u>91,225</u> | <u>91,225</u> | <u>79,118</u> |

Inspirational Learning Academies Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

8. Charitable activities - academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | 31/8/16 Total funds £ | 31/8/15 Total funds £ |
|---------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Direct costs | 40,615 | 3,179,116 | 3,219,731 | 2,314,057 |
| Support costs | - | 1,752,645 | 1,752,645 | 1,332,182 |
| | <u>40,615</u> | <u>4,931,761</u> | <u>4,972,376</u> | <u>3,646,239</u> |

| | 31/8/16 Total £ | 31/8/15 Total £ |
|----------------------------------|-----------------------|-----------------------|
| Analysis of support costs | | |
| Support staff costs | 492,036 | 339,544 |
| Depreciation | 57,494 | 37,503 |
| Technology costs | 22,575 | 66,692 |
| Premises costs | 632,742 | 393,923 |
| Other support costs | 301,726 | 299,211 |
| Governance costs | <u>246,072</u> | <u>195,309</u> |
| Total support costs | <u>1,752,645</u> | <u>1,332,182</u> |

9. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st August 2016 nor for the year ended 31st August 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2016 nor for the year ended 31st August 2015.

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2016

10. Staff costs

| | 31/8/16 | 31/8/15 |
|-----------------------|-------------------------|-------------------------|
| | £ | £ |
| Wages and salaries | 2,626,548 | 1,928,995 |
| Social security costs | 186,903 | 130,248 |
| Other pension costs | <u>419,470</u> | <u>268,446</u> |
| | 3,232,921 | 2,327,689 |
| Supply teacher costs | <u>30,362</u> | <u>4,280</u> |
| | <u><u>3,263,283</u></u> | <u><u>2,331,969</u></u> |

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

| | 31/8/16 | 31/8/15 |
|----------------------------|-------------------|-------------------|
| Teachers | 28 | 26 |
| Administration and support | 91 | 68 |
| Management | <u>13</u> | <u>10</u> |
| | <u><u>132</u></u> | <u><u>104</u></u> |

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

| | 31/8/16 | 31/8/15 |
|-------------------|-----------------|-----------------|
| £60,001 - £70,000 | 1 | 1 |
| Over £100,001 | <u>1</u> | <u>1</u> |
| | <u><u>2</u></u> | <u><u>2</u></u> |

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £278,943 (2015: £231,328)

11. Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

12. Comparatives for the statement of financial activities

| | Unrestricted fund £ | Restricted fixed assets funds £ | Restricted funds £ | Total funds £ |
|---|---------------------------|--|--------------------------|------------------|
| Income and endowments from | | | | |
| Donations and capital grants | - | 21,169 | 26,825 | 47,994 |
| Transfer from Local Authority on conversion | - | 4,496,979 | (428,000) | 4,068,979 |
| Charitable activities | | | | |
| Funding for the academy's educational operations | - | - | 3,371,884 | 3,371,884 |
| Other trading activities | 147,920 | 5,784 | 106,485 | 260,189 |
| Investment income | 212 | - | - | 212 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 148,132 | 4,523,932 | 3,077,194 | 7,749,258 |
| Expenditure on | | | | |
| Raising funds | - | - | 79,118 | 79,118 |
| Charitable activities | | | | |
| Academy's educational operations | <u>86,852</u> | <u>141,673</u> | <u>3,417,714</u> | <u>3,646,239</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 86,852 | 141,673 | 3,496,832 | 3,725,357 |
| Net income/(expenditure) | 61,280 | 4,382,259 | (419,638) | 4,023,901 |
| Transfers between funds | <u>(70,000)</u> | <u>136,687</u> | <u>(66,687)</u> | <u>-</u> |
| Other recognised gains/(losses) | | | | |
| Actuarial gains/losses on defined benefit schemes | <u>-</u> | <u>-</u> | <u>16,000</u> | <u>16,000</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movement in funds | (8,720) | 4,518,946 | (470,325) | 4,039,901 |
| Reconciliation of funds | | | | |
| Total funds brought forward | <u>13,841</u> | <u>5,674,165</u> | <u>(578,761)</u> | <u>5,109,245</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds carried forward | <u>5,121</u> | <u>10,193,111</u> | <u>(1,049,086)</u> | <u>9,149,146</u> |

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2016

13. Central services

The Academy Trust provided the following central services during the year:

- financial services
- legal services
- educational support
- IT

The Trust charges for these services based on the percentage of total GAG income received by each Academy. This percentage is reviewed on an annual basis.

The actual amounts charged during the year were as follows:

| | 2016 |
|----------------------------------|-----------------------|
| | £ |
| Newstead Primary Academy | 74,646 |
| Norton-le-Moors Primary Academy | 59,821 |
| Whitfield Valley Primary Academy | <u>78,975</u> |
| Total | <u><u>213,442</u></u> |

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

14. Tangible fixed assets

| | Leasehold land & buildings £ | Improvements to leasehold property £ | Fixtures and fittings £ |
|-----------------------|---------------------------------------|---|-------------------------------|
| Cost | | | |
| At 1st September 2015 | 9,857,500 | 24,493 | 272,668 |
| Additions | - | 146,340 | 92,702 |
| At 31st August 2016 | <u>9,857,500</u> | <u>170,833</u> | <u>365,370</u> |
| Depreciation | | | |
| At 1st September 2015 | 68,475 | 490 | 34,609 |
| Charge for year | 122,676 | 2,194 | 41,722 |
| At 31st August 2016 | <u>191,151</u> | <u>2,684</u> | <u>76,331</u> |
| Net book value | | | |
| At 31st August 2016 | <u>9,666,349</u> | <u>168,149</u> | <u>289,039</u> |
| At 31st August 2015 | <u>9,789,025</u> | <u>24,003</u> | <u>238,059</u> |
| | Motor vehicles £ | Computer equipment £ | Totals £ |
| Cost | | | |
| At 1st September 2015 | 87,090 | 107,633 | 10,349,384 |
| Additions | 20,800 | 120,123 | 379,965 |
| At 31st August 2016 | <u>107,890</u> | <u>227,756</u> | <u>10,729,349</u> |
| Depreciation | | | |
| At 1st September 2015 | 20,544 | 32,155 | 156,273 |
| Charge for year | 20,963 | 57,412 | 244,967 |
| At 31st August 2016 | <u>41,507</u> | <u>89,567</u> | <u>401,240</u> |
| Net book value | | | |
| At 31st August 2016 | <u>66,383</u> | <u>138,189</u> | <u>10,328,109</u> |
| At 31st August 2015 | <u>66,546</u> | <u>75,478</u> | <u>10,193,111</u> |

15. Stocks

| | | |
|--------|---------------|---------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Stocks | <u>29,656</u> | <u>27,900</u> |

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2016

16. Debtors: amounts falling due within one year

| | 31/8/16 | 31/8/15 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | - | 17,600 |
| VAT | 60,909 | 36,995 |
| Prepayments and accrued income | <u>220,616</u> | <u>141,689</u> |
| | <u>281,525</u> | <u>196,284</u> |

17. Creditors: amounts falling due within one year

| | 31/8/16 | 31/8/15 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 466,099 | 233,246 |
| Social security and other taxes | 52,190 | 57,181 |
| Accruals and deferred income | <u>112,871</u> | <u>131,391</u> |
| | <u>631,160</u> | <u>421,818</u> |

Deferred Income

| | |
|--|-----------------|
| | £ |
| Deferred income as at 1st September 2015 | 64,002 |
| Resources deferred in the year | 61,436 |
| Amounts released from previous years | <u>(64,002)</u> |
| Deferred income as at 31st August 2016 | <u>61,436</u> |

At the balance sheet date, the Trust was holding funds received in advance from the EFA in respect of the Universal Infant Free School Meals and school trips in 2016/17.

18. Operating lease commitments

At the year end, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | Other operating leases | |
|----------------------------|------------------------|--------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Expiring: | | |
| Within one year | 20,433 | 6,889 |
| Between one and five years | <u>27,934</u> | <u>965</u> |
| | <u>48,367</u> | <u>7,854</u> |

19. 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.

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

20. Movement in funds

| | At 1.9.15 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.16 £ |
|-------------------------------|------------------|----------------------------------|------------------------------------|------------------|
| Unrestricted funds | | | | |
| General fund | 5,121 | (5,121) | - | - |
| Restricted funds | | | | |
| General Annual Grant (GAG) | 9,914 | 118,537 | (379,963) | (251,512) |
| Other DfE / EFA grants | - | (6,428) | 21,596 | 15,168 |
| Pension deficit | (1,059,000) | (357,000) | - | (1,416,000) |
| Restricted fixed assets funds | 10,193,111 | (223,369) | 358,367 | 10,328,109 |
| | 9,144,025 | (468,260) | - | 8,675,765 |
| TOTAL FUNDS | <u>9,149,146</u> | <u>(473,381)</u> | <u>-</u> | <u>8,675,765</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|-------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 35,495 | (40,616) | - | (5,121) |
| Restricted funds | | | | |
| General Annual Grant (GAG) | 3,382,873 | (3,264,336) | - | 118,537 |
| Local Authority grants | 480,295 | (480,295) | - | - |
| Other DfE / EFA grants | 719,176 | (725,604) | - | (6,428) |
| Other | 184,855 | (184,855) | - | - |
| Pension deficit | - | (113,000) | (244,000) | (357,000) |
| Restricted fixed assets funds | 31,526 | (254,895) | - | (223,369) |
| | 4,798,725 | (5,022,985) | (244,000) | (468,260) |
| TOTAL FUNDS | <u>4,834,220</u> | <u>(5,063,601)</u> | <u>(244,000)</u> | <u>(473,381)</u> |

The unplanned deficit is due to extraordinary circumstances since April 2016 when the substantive head teacher, deputy head teacher and school business manager left Whitfield Valley Primary Academy following intervention by the Executive Head Teacher due to concerns about performance. As a result of this intervention, it became apparent some serious site related safety issues were still outstanding and a number of statutory and basic needs were not being met, potentially putting the children's safety and academic progress at risk. All these issues have now been rectified but at a considerable cost. Also, a number of contractual settlement agreements were required to remove underperforming staff. The Trust already has a robust deficit recovery plan in place based on both Whitfield Valley Primary Academy and Newstead Primary Academy continuing to undergo significant expansion. Pupil numbers across the Trust (excluding nursery children) were 815 in 2015 and 873 in 2016; they are expected to be 918 in 2017 and 963 in 2018. Despite this significant growth forecast, staffing levels are expected to remain largely the same over the medium term. Full deficit recovery is, therefore, expected to take a maximum of two years. The Trust's governance arrangements have also been reorganised so that all financial matters are now dealt with at Trust level by the directors on a half termly basis and not at Local Board Level.

The recovery plan has been discussed with the auditors, who consider it to be achievable.

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2016

20. Movement in funds - continued

Purposes of unrestricted funds

Unrestricted funds includes the surplus on conversion from a local authority school, income from outsourcing of staff and other income generated from the other small donations, etc. which carry no specific restrictions. These funds are available for the Academy Trust to use as deemed appropriate.

Purposes of restricted funds

The General Annual Grant represents the grant funding received from the EFA in order to cover the on-going costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2016.

Other DfE/EFA grants received include amounts to cover pupil premium and universal infant free school meals.

Local Authority grants include early years funding as well as funding to support children with special education needs and additional pupil premium.

Purposes of restricted fixed assets funds

The restricted fixed assets funds reflects resources received by the academy trust to acquire assets for continuing use and furtherance of the trust's aims and objectives. Resources expended reflect the associated depreciation charges as set out on the accounting policies.

Analysis of academies by fund balance

Fund balances at 31st August 2016 were allocated as follows:

| | Total £ |
|---|-------------------------|
| Newstead Primary Academy | (93,233) |
| Norton Le Moors Primary Academy | 31,342 |
| Whitfield Valley Primary Academy | <u>(174,453)</u> |
| Total before fixed assets and pension reserve | <u>(236,344)</u> |
| Restricted fixed asset fund | 10,328,109 |
| Pension deficit | <u>(1,416,000)</u> |
| | <u><u>8,675,765</u></u> |

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2016

20. Movement in funds - continued

Analysis of academies by cost

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

| | Teaching/ Ed Support Staff Costs | Other Support Staff Costs | Education Supplies | Other Costs (ex Dep) | Total |
|----------------------------------|---|------------------------------------|-----------------------|----------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Newstead Primary Academy | 708,863 | 491,755 | 94,025 | 380,279 | 1,674,922 |
| Norton Le Moors Primary Academy | 469,466 | 321,933 | 24,896 | 412,473 | 1,228,768 |
| Whitfield Valley Primary Academy | 783,811 | 487,455 | 40,463 | 490,215 | 1,801,944 |
| FRS102 pension charge | | | | 113,000 | 113,000 |
| Academy Trust | <u>1,962,140</u> | <u>1,301,143</u> | <u>159,384</u> | <u>1,395,967</u> | <u>4,818,634</u> |

21. Pension and similar obligations

Teachers' pension scheme

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £135,470 (2015: £130,000).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2016 was £284,000, of which employer's contributions totalled £222,000 and employees' contributions totalled £62,000. The agreed contribution rates for future years are 21.2% for employers and the contribution for employees is dependent upon salary banding.

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 18th July 2013

Inspirational Learning Academies Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

**21. Pension and similar obligations
- continued**

The amounts recognised in the balance sheet are as follows:

| | Defined benefit pension plans | |
|-------------------------------------|--------------------------------------|--------------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Present value of funded obligations | (2,517,000) | (1,716,000) |
| Fair value of plan assets | <u>1,101,000</u> | <u>657,000</u> |
| | <u>(1,416,000)</u> | <u>(1,059,000)</u> |
| Deficit | <u>(1,416,000)</u> | <u>(1,059,000)</u> |
| Liability | <u>(1,416,000)</u> | <u>(1,059,000)</u> |

The amounts recognised in the statement of financial activities are as follows:

| | Defined benefit pension plans | |
|---|--------------------------------------|----------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Current service cost | 293,000 | 199,000 |
| Net interest from net defined benefit asset/liability | <u>42,000</u> | <u>31,000</u> |
| | <u>335,000</u> | <u>230,000</u> |
| Actual return on plan assets | <u>160,000</u> | <u>2,000</u> |

Changes in the present value of the defined benefit obligation are as follows:

| | Defined benefit pension plans | |
|--|--------------------------------------|--------------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Defined benefit obligation | (1,716,000) | (848,000) |
| Current service cost | (293,000) | (199,000) |
| Contributions by scheme participants | (62,000) | (40,000) |
| Interest cost | (72,000) | (45,000) |
| Business combinations | - | (612,000) |
| Actuarial (gains)/losses from changes in financial assumptions | <u>(374,000)</u> | <u>28,000</u> |
| | <u>(2,517,000)</u> | <u>(1,716,000)</u> |

Inspirational Learning Academies Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

**21. Pension and similar obligations
- continued**

Changes in the fair value of scheme assets are as follows:

| | Defined benefit pension plans | |
|--------------------------------------|--------------------------------------|----------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Fair value of scheme assets | 657,000 | 293,000 |
| Contributions by employer | 222,000 | 138,000 |
| Contributions by scheme participants | 62,000 | 40,000 |
| Expected return | 30,000 | 14,000 |
| Actuarial gains/(losses) | 130,000 | (12,000) |
| Business combinations | - | 184,000 |
| | <u>1,101,000</u> | <u>657,000</u> |

The amounts recognised in other recognised gains and losses are as follows:

| | Defined benefit pension plans | |
|--|--------------------------------------|-----------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Actuarial (gains)/losses from changes in financial assumptions | (374,000) | 28,000 |
| Return on plan assets (excluding interest income) | <u>130,000</u> | <u>(12,000)</u> |
| | <u>(244,000)</u> | <u>16,000</u> |

The major categories of scheme assets as amounts of total scheme assets are as follows:

| | Defined benefit pension plans | |
|----------|--------------------------------------|----------------|
| | 31/8/16 | 31/8/15 |
| | £ | £ |
| Equities | 825,750 | 487,000 |
| Bonds | 121,110 | 72,000 |
| Property | 88,080 | 59,000 |
| Cash | <u>66,060</u> | <u>39,000</u> |
| | <u>1,101,000</u> | <u>657,000</u> |

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

| | 31/8/16 | 31/8/15 |
|--------------------------------------|---------|---------|
| Discount rate | 2.1% | 3.8% |
| Future salary increases | 2.5% | 4.6% |
| Future pension increases | 2.1% | 2.7% |
| Inflation assumption (CPI) | 2.1% | 2.9% |
| Commutation of pensions to lump sums | 50% | 50% |

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

| | At 31/8/16 | At 31/8/15 |
|----------------------|------------|------------|
| Retiring today | | |
| Males | 22.1 | 22.1 |
| Females | 24.3 | 24.3 |
| Retiring in 20 years | | |
| Males | 24.3 | 24.3 |
| Females | 26.6 | 26.6 |

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2016

21. Pension and similar obligations - continued

Amounts for the current and previous period are as follows:

| | 31/8/16 £ | 31/8/15 £ |
|--------------------------------------|--------------|--------------|
| Defined benefit pension plans | | |
| Defined benefit obligation | (2,517,000) | (1,716,000) |
| Fair value of scheme assets | 1,101,000 | 657,000 |
| Deficit | (1,416,000) | (1,059,000) |

22. Capital commitments

| | 31/8/16 £ | 31/8/15 £ |
|---|--------------|---------------|
| Contracted but not provided for in the financial statements | <u>-</u> | <u>43,433</u> |

23. Related party disclosures

There were no related party transactions for the year ended 31st August 2016.

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

| | 31/8/16 £ | 31/8/15 £ |
|---|----------------|----------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (229,381) | 4,023,901 |
| Adjustments for: | | |
| Depreciation | 244,967 | 141,673 |
| Capital grants from DfE/EFA | (31,526) | (21,169) |
| Transfer from Local Authority on conversion | - | (4,068,979) |
| Interest received | (386) | (212) |
| (Increase)/decrease in stocks | (1,756) | 261 |
| (Increase)/decrease in debtors | (85,241) | 14,786 |
| Increase in creditors | 209,342 | 10,790 |
| Difference between pension charge and cash contributions | <u>113,000</u> | <u>92,000</u> |
| Net cash provided by (used in) operating activities | <u>219,019</u> | <u>193,051</u> |

25. First year adoption

Transitional relief

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31st August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1st September 2014.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2016

25. First year adoption - continued

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1st September 2014 or 31st August 2015. The effect of the change has been to increase the debit to income/expense by £12,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

Inspirational Learning Academies Trust

**Reconciliation of Income and Expenditure
for the Year Ended 31st August 2015**

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|---|-------|------------------|--|------------------|
| Income and endowments from | | | | |
| Donations and capital grants | | 26,825 | 21,169 | 47,994 |
| Transfer from Local Authority on conversion | | 4,068,979 | - | 4,068,979 |
| Charitable activities | | 3,393,053 | (21,169) | 3,371,884 |
| Other trading activities | | 260,189 | - | 260,189 |
| Investment income | | 212 | - | 212 |
| Total | | <u>7,749,258</u> | - | <u>7,749,258</u> |
| Expenditure on | | | | |
| Raising funds | | 79,118 | - | 79,118 |
| Charitable activities | | 3,450,930 | 195,309 | 3,646,239 |
| OBSOLETE Governance costs | | 183,309 | (183,309) | - |
| Total | | <u>3,713,357</u> | <u>12,000</u> | <u>3,725,357</u> |
| Net income/(expenditure) | | <u>4,035,901</u> | <u>(12,000)</u> | <u>4,023,901</u> |

Inspirational Learning Academies Trust

Reconciliation of Funds

At 1st September 2014

(Date of Transition to FRS 102)

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|------------------|--|------------------|
| Fixed assets | | | | |
| Tangible assets | | <u>5,674,165</u> | - | <u>5,674,165</u> |
| | | 5,674,165 | - | 5,674,165 |
| Current assets | | | | |
| Stocks | | 28,161 | - | 28,161 |
| Debtors | | 211,070 | - | 211,070 |
| Cash at bank | | <u>161,877</u> | - | <u>161,877</u> |
| | | 401,108 | - | 401,108 |
| Creditors | | | | |
| Amounts falling due within one year | | (411,028) | - | (411,028) |
| | | <u>(411,028)</u> | - | <u>(411,028)</u> |
| Net current assets/(liabilities) | | <u>(9,920)</u> | - | <u>(9,920)</u> |
| Total assets less current liabilities | | 5,664,245 | - | 5,664,245 |
| Pension liability | | (555,000) | - | (555,000) |
| | | <u>5,109,245</u> | - | <u>5,109,245</u> |
| Funds | | | | |
| Unrestricted funds | | 13,841 | - | 13,841 |
| Restricted funds | | <u>5,095,404</u> | - | <u>5,095,404</u> |
| Total funds | | <u>5,109,245</u> | - | <u>5,109,245</u> |

Inspirational Learning Academies Trust

Reconciliation of Funds
At 31st August 2015

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|--------------|--|--------------|
| Fixed assets | | | | |
| Tangible assets | | 10,193,111 | - | 10,193,111 |
| Current assets | | | | |
| Stocks | | 27,900 | - | 27,900 |
| Debtors | | 196,284 | - | 196,284 |
| Cash at bank | | 212,669 | - | 212,669 |
| | | 436,853 | - | 436,853 |
| Creditors | | | | |
| Amounts falling due within one year | | (421,818) | - | (421,818) |
| Net current assets/(liabilities) | | 15,035 | - | 15,035 |
| Total assets less current liabilities | | 10,208,146 | - | 10,208,146 |
| Pension liability | | (1,059,000) | - | (1,059,000) |
| Net assets | | 9,149,146 | - | 9,149,146 |
| Funds | | | | |
| Unrestricted funds | | 5,121 | - | 5,121 |
| Restricted funds | | 9,144,025 | - | 9,144,025 |
| Total funds | | 9,149,146 | - | 9,149,146 |