

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2021
for
Inspirational Learning Academies Trust**

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

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for the Year Ended 31st August 2021**

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Inspirational Learning Academies Trust

Reference and Administrative Details for the Year Ended 31st August 2021

Members	Mr A E Irving Mrs E Harvey Miss L Cartlidge Fr B Statham Mr S Davies	
Trustees	Mrs E Harvey Mr A E Irving Rev A Ballard Mrs L Barrow Mr D Evans Mrs B Grzegorzek (resigned 10 February 2021) Mr B Mills Mrs P Smith Mr A Clewes Fr T Merry (appointed 10 February 2021)	
Senior Management Team	Mrs H Stocking Miss S Rawlings Miss K Sherrell Miss L Gallagher Mr P Davies	CEO/Executive Head Teacher Deputy CEO/ Head Teacher Norton-le-Moors Primary Asst CEO/Executive Business Manager Head of School Newstead Primary Head of School Whitfield Valley Primary
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 2021**

The trustees of Inspirational Learning Academies Trust present their annual report together with the audited financial statements for the period from 1st September 2020 to 31st August 2021. 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 1,210 and a roll of 1,116 at the end of the Academic Year 2021. 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 an inspirational and highly stimulating curriculum. Many opportunities to experience the world outside of the classroom are provided to bring learning to life.

The Aim of the Trust is simple -

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.

How the Trust realises its vision and aims is simple -

Whilst each school works coherently to realise the aims and the vision of the Trust, they also have their own annual 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 given their starting points. Termly Raising Attainment Plans are written and shared amongst all staff to ensure pupil progress and attainment remains at the heart of school improvement.

**Report of the Trustees
for the Year Ended 31st August 2021**

Objectives and activities

Significant activities

The main objectives of the Trust during the period ending 31 August 2021 are summarised below:-

Inspirational Learning Academies Trust Development Plan
Key Priorities for Academic Year 2020/21

Priority 1: Quality of Education

INTENT - Deliver a curriculum from KS1 to KS2 that is coherently planned and sequenced to provide knowledge and skills for future learning inclusive of the most disadvantaged and those with SEND.

IMPLEMENTATION -Staff to have good subject knowledge and are well equipped to check learners understanding systematically. Staff to be able to adapt teaching as necessary to negate misconceptions and provide an environment that allow the learner to focus on learning.

IMPACT - All children achieve well irrespective of their disadvantage or SEND with knowledge and skills across the curriculum to prepare them for the next stage of their learning. All children to be given the opportunity to meet their interests and aspirations.

Priority 2: Behaviour and Attitudes

To maintain the higher standards of children's behaviour, conduct and attitudes with consistent and fair expectations.

To achieve 97% attendance rate to prepare children for life beyond school.

Priority 3: Personal Development

To extend the curriculum beyond the academic providing children with the broader development of their character including their resilience, confidence and independence.

To continue to equip children to be responsible, respectful and active citizens for life in modern Britain

Priority 4: Leadership and Management

Through strong shared values, policies and practices leaders have a clear and ambitious vision for providing high quality inclusive education and training for all.

All children complete their relevant programme of study exit point at above average progress from their given starting points.

All directors (trustees) are able to govern across each school with an in depth understanding of their role in school leadership.

Ensure all safeguarding arrangements and subsequent training are highly effective to protect all and especially the most vulnerable children in school.

Priority 5: Early Years Provision

The aims of the early year's foundation stage challenge the children through the content, sequencing and progression of the 7 areas of learning.

To provide the necessary foundations for the rest of the children's schooling through the key characteristics of effective learning.

To ensure that all children are taught the necessary early reading skills to ensure national curriculum readiness

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. Unfortunately, this has not been the case in the past academic year due to the ongoing pandemic. The trust fully complies with all statutory guidance.

**Report of the Trustees
for the Year Ended 31st August 2021**

Strategic report

Achievement and performance

Charitable activities

Below are the 2021 teacher assessment exit data for EYFS, Key Stage 1 and Key Stage 2 across the Trust. The data set are teacher assessment only due to the ongoing COVID-19 pandemic. It is anticipated that a normal resume of testing and assessment will recommence in the Summer Term 2022.

Inspirational Learning Academies Trust EYFS/KS1/KS2 Results Comparative Report 2020 and 2021

PREDICTIONS for END of academic year 21/22 and ACTUAL data at end of academic year 20/21							
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Assessment Point	2019 National Av.	NEWSTEAD		NORTON		WHITFIELD	
		Prediction Sum 22	Actual Sum 21	Prediction Sum 22	Actual Sum 21	Prediction Sum 22	Actual Sum 21
EYFS (GLD) Exceeding	71%	84%	86%	83%	87%	84%	86%
PHONICS Year 1	81%	24%	25%	20%	20%	24%	20%
KS1 Reading ARE	76%	91%	90%	90%	94%	92%	91%
Greater Depth							
KS1 Writing ARE	68%	86%	85%	83%	83%	83%	81%
Greater Depth		25%	25%	23%	20%	20%	28%
KS1 Maths ARE	75%	86%	85%	83%	83%	83%	81%
Greater Depth		25%	25%	23%	20%	20%	22%
KS2 Reading ARE	72%	87%	90%	84%	90%	84%	86%
Greater Depth		31%	31%	38%	35%	27%	31%
KS2 Writing ARE	78%	87%	90%	84%	90%	84%	86%
Greater Depth		31%	35%	38%	35%	27%	29%
KS2 Maths ARE	75%	87%	90%	84%	90%	84%	86%
Greater Depth		31%	35%	38%	35%	27%	28%
KS2 GPS ARE	77%	87%	90%	84%	90%	84%	86%
Greater Depth		31%	35%	38%	35%	27%	29%
KS2 Combined	65%	87%	90%	84%	90%	84%	86%
Greater Depth		31%	34%	38%	35%	27%	29%

**Report of the Trustees
for the Year Ended 31st August 2021**

Strategic report

Achievement and performance

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 ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31st August 2021, 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.

As at 31 August 2021 the level of restricted reserves (excluding the pension reserve) was in surplus by £540,052 and unrestricted reserves were nil. The deficit on the restricted LGPS pension fund as at 31 August 2021 was £4,755,000. The Trust had tangible fixed assets with a carrying value of £13,109,795 at 31 August 2021 and at present the Trust does not have any plans to dispose of any assets.

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. The review considers income and expenditure and future commitments.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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.

Fundraising

The Academy Trust does not use any external fundraisers. There were no fundraising activities undertaken during the year due to the ongoing pandemic.

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.

**Report of the Trustees
for the Year Ended 31st August 2021**

Strategic report

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 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.

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.

Future plans

Due to the ongoing pandemic that has now spanned 2 academic years, plans for future periods remain the same for the year 2021/22.

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.

Two 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 throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the academy trust undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

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

Recruitment and appointment 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.

**Report of the Trustees
for the Year Ended 31st August 2021**

Structure, governance and management

Organisational structure

The structure of the Trust consists of a Board of Trustees and Local Governing Bodies on each Academy site. Decisions delegated to the Board of Trustees and their Local Governing 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 Teacher at Norton-le-Moors Primary Academy, a Head of School at Whitfield Valley Primary Academy and a Head of School at Newstead Primary Academy, with each Academy having Assistant Head Teacher posts. 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

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 a 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.

Key management remuneration

Arrangements for setting the pay of the Trust's key management personnel is based upon performance management targets and pupil outcomes. Pay is benchmarked against other Multi Academy Trusts of similar size and socio-demographics.

Related parties and other connected charities and organisations

The Academy Trust is not part of a soft federation. It is a multi academy trust with a named sponsor school and 2 sponsored schools which were forced into conversion following inadequate Ofsted inspections. Any relationships with related parties and any other charities/companies/organisations with which the multi academy trust cooperates can be found in the pecuniary interest forms and completed pro forma statement of assurance which have been added to the Trust Financial Handbook. If related parties exist in the form of companies which have not been used then a pro forma statement of assurance will not be found.

Funds held as custodian for others

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

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 17th November 2021 and signed on the board's behalf by:



Mr A E Irving - Trustee

Inspirational Learning Academies Trust

Governance Statement for the Year Ended 31st August 2021

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 2020 to 31st August 2021.

Inspirational Learning Academies Trust 2020/21

Name	Type of Membership	Date of Appointment	Date of Leaving	Term of Office	Relevant Business and Pecuniary Interest	Attendance Record at Board of Director Meetings
Rev Ann Ballard	Chair of Directors	September 2013	N/A	Ongoing	None	5
Mrs Leanne Barrow	Vice Chair of Directors	September 2014	N/A	Ongoing	None	5
Mrs Eileen Harvey	Director	September 2012	N/A	Ongoing	Yes	5
Mr Alan Irving	Director	September 2008	N/A	Ongoing	None	3
Mrs Helen Stocking	CEO of Trust	September 2008	N/A	Ongoing	Yes	6
Miss Kelly Sherrell	PA to CEO of Trust	September 2008	N/A	Ongoing	None	6
Mrs Pauline Smith	Director	September 2017	N/A	Ongoing	None	6
Mr Dave Evans	Director	July 2018	N/A	Ongoing	None	3
Mr Ben Mills	Director	July 2018	N/A	Ongoing	Yes	3
Mrs Barbara Grzegorzek	Director	July 2018	February 2021	Resigned	None	n/a
Mr Adam Clewes	Director	September 2019	N/A	Ongoing	None	6
Ft Tommy Merry	Director	February 2021	N/A	Ongoing	None	2

3 Director meetings held in person and 3 held remotely via online services during COVID-19 pandemic.

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.

**Governance Statement
for the Year Ended 31st August 2021**

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:

- Exploring alternative purchasing options both on-line and direct through suppliers to find the best value.
- Group purchasing with other Academies within the trust to negotiate and drive down costs.
- Follow the tender process for larger value items or contracts according to the Financial Handbook.
- Review contracts/SLAs on an annual basis to ensure they are fit for purpose and best value i.e. Catering, Cleaning, Grounds Maintenance. We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements.

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 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the 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 2021 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 introduced a programme of Peer to Peer reviews for the purpose of internal audits which are carried out by the School Business Managers/Executive Business Manager every half term at each Academy. The Financial Consultant employed by the Trust reviews the accounting systems at each visit and the Directors also carry out internal reviews as part of this programme on an annual basis across the trust. During the year 2019/2020 the Trust added another level of review. The School Business Manager from another local Academy will carry out a review at one of the Trust Academies and in turn our Business Managers will carry out a review at their Academy. These reports are presented at the half termly Directors meetings.

Inspirational Learning Academies Trust

Governance Statement for the Year Ended 31st August 2021

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 internal reviews
- 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 17th November 2021 and signed on its behalf by:



Mr A E Irving - Trustee



Mrs H Stocking - Accounting Officer

Inspirational Learning Academies Trust

Statement on Regularity, Propriety and Compliance for the Year Ended 31st August 2021

As accounting officer of Inspirational Learning Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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

A handwritten signature in black ink, appearing to read 'H Stocking', enclosed within a large, loopy oval flourish.

Mrs H Stocking - Accounting Officer

17th November 2021

Inspirational Learning Academies Trust

Statement of Trustees' Responsibilities for the Year Ended 31st August 2021

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 Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 17th November 2021 and signed on its behalf by:



Mr A E Irving - Trustee

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

Opinion

We have audited the financial statements of Inspirational Learning Academies Trust (the 'academy trust') for the year ended 31st August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

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 2021 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 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management including obtaining and reviewing supporting documentation concerning the Trust's policies and procedures relating to
 - identifying, evaluating and complying with laws and regulations and whether there were any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud;
 - reviewing the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussions among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory framework in which the Trust operates, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Trust.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

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.



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

17th November 2021

**Independent Reporting Accountant's Assurance Report on Regularity to
Inspirational Learning Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31st August 2021 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inspirational Learning Academies Trust and the ESFA, 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 2020, 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 2020 to 2021. 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 2020 to 31st August 2021 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 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

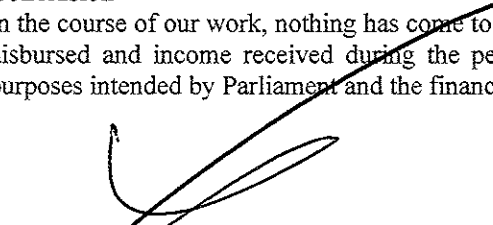
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 2020 to 31st August 2021 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
Reporting Accountant
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

17th November 2021

Inspirational Learning Academies Trust

Statement of Financial Activities
for the Year Ended 31st August 2021

					31/8/21	31/8/20
	Notes	Unrestricted fund £	Restricted fixed assets funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments from						
Donations and capital grants	2	-	24,112	25,263	49,375	69,557
Charitable activities						
Funding for the academy's educational operations	3	-	-	5,905,742	5,905,742	5,552,964
Other trading activities	4	-	-	198,465	198,465	112,720
Investment income	5	114	-	-	114	372
Total		114	24,112	6,129,470	6,153,696	5,735,613
Expenditure on						
Raising funds	7	-	-	1,679	1,679	146,589
Charitable activities						
Academy's educational operations	8	114	195,437	6,176,424	6,371,975	6,000,327
Total	6	114	195,437	6,178,103	6,373,654	6,146,916
NET INCOME/(EXPENDITURE)		-	(171,325)	(48,633)	(219,958)	(411,303)
Transfers between funds	18	-	29,453	(29,453)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	(1,154,000)	(1,154,000)	(271,000)
Net movement in funds		-	(141,872)	(1,232,086)	(1,373,958)	(682,303)
Reconciliation of funds						
Total funds brought forward		-	13,251,667	(2,982,862)	10,268,805	10,951,108
Total funds carried forward		-	13,109,795	(4,214,948)	8,894,847	10,268,805

The notes form part of these financial statements

Balance Sheet
31st August 2021

				31/8/21	31/8/20
		Unrestricted fund	Restricted fixed assets funds	Total funds	Total funds
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14	-	13,109,795	13,109,795	13,251,667
Current assets					
Stocks	15	-	-	1,680	912
Debtors	16	-	-	189,623	216,711
Cash at bank		-	-	1,124,041	720,348
		-	-	1,315,344	937,971
Creditors					
Amounts falling due within one year	17	-	-	(775,292)	(689,833)
Net current assets		-	-	540,052	248,138
Total assets less current liabilities		-	13,109,795	13,649,847	13,499,805
Pension liability	19	-	-	(4,755,000)	(3,231,000)
NET ASSETS		-	13,109,795	8,894,847	10,268,805
Funds	18				
Restricted income funds				8,894,847	10,268,805
Total funds				8,894,847	10,268,805

The financial statements were approved by the Board of Trustees and authorised for issue on 17th November 2021 and were signed on its behalf by:



Mr A E Irving - Trustee

Inspirational Learning Academies Trust

Cash Flow Statement for the Year Ended 31st August 2021

	Notes	31/8/21 £	31/8/20 £
Cash flows from operating activities			
Cash generated from operations	22	<u>433,032</u>	<u>294,313</u>
Net cash provided by operating activities		<u>433,032</u>	<u>294,313</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(53,565)	(133,444)
Capital grants from DfE/ESFA		24,112	23,635
Sale of tangible fixed assets		-	30,000
Interest received		<u>114</u>	<u>372</u>
Net cash used in investing activities		<u>(29,339)</u>	<u>(79,437)</u>
 Change in cash and cash equivalents in the reporting period		 403,693	 214,876
Cash and cash equivalents at the beginning of the reporting period		<u>720,348</u>	<u>505,472</u>
 Cash and cash equivalents at the end of the reporting period		 <u>1,124,041</u>	 <u>720,348</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31st August 2021**

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, 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.

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.

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 19, 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 2019 has been used by the actuary in valuing the pensions liability at 31st August 2021. 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.

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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

1. Accounting policies - continued

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.

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'.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of 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.

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2021**

1. Accounting policies - continued

Tangible fixed assets

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.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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 19, 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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

1. Accounting policies - continued

Pension benefits

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.

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
Grants	-	24,112	24,112	23,635
Educational visits	-	25,263	25,263	45,922
	-	49,375	49,375	69,557

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

	31/8/21 £	31/8/20 £
Capital grants	24,112	23,635

3. Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	4,169,997	4,169,997	3,999,977
Other DfE / ESFA grants	-	1,172,456	1,172,456	994,654
	-	5,342,453	5,342,453	4,994,631
Other Government grant				
Local Authority grants	-	563,289	563,289	558,333
	-	5,905,742	5,905,742	5,552,964

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

3. Funding for the academy trust's educational operations - continued

Other DfE/ESFA grants is made up of the following:

	31/8/21 £	31/8/20 £
Pupil premium	618,880	605,036
PE & sports grant	56,440	56,170
Rates relief	12,749	10,568
UFSM	128,604	118,126
Teachers pay and pension grants	199,024	194,255
Covid-19 catch up premium	76,640	-
Academies emergency support	72,450	-
Other	7,669	10,499
	<u>1,172,456</u>	<u>994,654</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
Catering income	-	175,800	175,800	101,588
Other income	-	22,665	22,665	11,132
	<u>-</u>	<u>198,465</u>	<u>198,465</u>	<u>112,720</u>

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

5. Investment income

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
Deposit account interest	<u>114</u>	<u>-</u>	<u>114</u>	<u>372</u>

6. Expenditure

	Non-pay expenditure			31/8/21	31/8/20
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising					
Direct costs	-	-	1,679	1,679	146,589
Charitable activities					
Academy's educational operations					
Direct costs	3,257,708	-	795,167	4,052,875	3,750,118
Allocated support costs	<u>912,979</u>	<u>837,848</u>	<u>568,273</u>	<u>2,319,100</u>	<u>2,250,209</u>
	<u>4,170,687</u>	<u>837,848</u>	<u>1,365,119</u>	<u>6,373,654</u>	<u>6,146,916</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

6. Expenditure - continued

Net resources are stated after charging/(crediting) :

	Year Ended 31/08/21 £	Year Ended 31/08/20 £
Auditor's remuneration	7,900	7,900
Depreciation - owned assets	66,341	66,028
Depreciation - leasehold assets	<u>129,096</u>	<u>128,259</u>

7. Raising funds

Costs of fundraising

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
Educational visits	<u>-</u>	<u>1,679</u>	<u>1,679</u>	<u>146,589</u>

8. Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
Direct costs	115	4,052,760	4,052,875	3,750,118
Support costs	<u>-</u>	<u>2,319,100</u>	<u>2,319,100</u>	<u>2,250,209</u>
	<u>115</u>	<u>6,371,860</u>	<u>6,371,975</u>	<u>6,000,327</u>

	31/8/21 Total £	31/8/20 Total £
Analysis of support costs		
Support staff costs	542,979	486,544
Depreciation	55,463	30,761
Technology costs	87,413	98,038
Premises costs	786,696	841,128
Other support costs	425,397	384,188
Governance costs	<u>421,152</u>	<u>409,550</u>
Total support costs	<u>2,319,100</u>	<u>2,250,209</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

9. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st August 2021 nor for the year ended 31st August 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2021 nor for the year ended 31st August 2020.

10. Staff costs

	31/8/21	31/8/20
	£	£
Wages and salaries	3,136,761	2,963,898
Social security costs	290,626	255,703
Operating costs of defined benefit pension schemes	<u>728,626</u>	<u>653,200</u>
	4,156,013	3,872,801
Supply teacher costs	14,584	17,251
Compensation payments	<u>90</u>	<u>60</u>
	<u>4,170,687</u>	<u>3,890,112</u>

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

	31/8/21	31/8/20
Teachers	27	30
Administration and support	89	77
Management	<u>17</u>	<u>15</u>
	<u>133</u>	<u>122</u>

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

	31/8/21	31/8/20
£60,001 - £70,000	-	2
£70,001 - £80,000	1	-
Over £100,001	<u>1</u>	<u>1</u>
	<u>2</u>	<u>3</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 £460,589 (2020: £436,303).

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

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.

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	-	23,635	45,922	69,557
Charitable activities				
Funding for the academy's educational operations	-	-	5,552,964	5,552,964
Other trading activities	11,132	-	101,588	112,720
Investment income	372	-	-	372
Total	11,504	23,635	5,700,474	5,735,613
Expenditure on				
Raising funds	-	-	146,589	146,589
Charitable activities				
Academy's educational operations	11,504	164,595	5,824,228	6,000,327
Total	11,504	164,595	5,970,817	6,146,916
NET INCOME/(EXPENDITURE)	-	(140,960)	(270,343)	(411,303)
Transfers between funds	-	79,808	(79,808)	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	-	(271,000)	(271,000)
Net movement in funds	-	(61,152)	(621,151)	(682,303)
Reconciliation of funds				
Total funds brought forward	-	13,312,818	(2,361,710)	10,951,108
Total funds carried forward	-	13,251,666	(2,982,861)	10,268,805

Inspirational Learning Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

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 a flat percentage of GAG income.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Newstead Primary Academy	50,000	50,000
Norton-Le-Moors Primary Academy	67,962	68,063
Whitfield Valley Primary Academy	<u>119,957</u>	<u>117,618</u>
Total	<u><u>237,919</u></u>	<u><u>235,681</u></u>

14. Tangible fixed assets

	Leasehold land & buildings £	Improvements to leasehold property £	Fixtures and fittings £
Cost			
At 1st September 2020	13,322,500	319,980	554,009
Additions	<u>-</u>	<u>2,360</u>	<u>539</u>
At 31st August 2021	<u>13,322,500</u>	<u>322,340</u>	<u>554,548</u>
Depreciation			
At 1st September 2020	681,855	21,051	255,883
Charge for year	<u>122,676</u>	<u>6,420</u>	<u>44,757</u>
At 31st August 2021	<u>804,531</u>	<u>27,471</u>	<u>300,640</u>
Net book value			
At 31st August 2021	<u><u>12,517,969</u></u>	<u><u>294,869</u></u>	<u><u>253,908</u></u>
At 31st August 2020	<u><u>12,640,645</u></u>	<u><u>298,929</u></u>	<u><u>298,126</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

14. Tangible fixed assets - continued

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1st September 2020	2,300	278,146	14,476,935
Additions	-	50,666	53,565
At 31st August 2021	2,300	328,812	14,530,500
Depreciation			
At 1st September 2020	1,993	264,486	1,225,268
Charge for year	307	21,277	195,437
At 31st August 2021	2,300	285,763	1,420,705
Net book value			
At 31st August 2021	-	43,049	13,109,795
At 31st August 2020	307	13,660	13,251,667

15. Stocks

	31/8/21 £	31/8/20 £
Stocks	1,680	912

16. Debtors: amounts falling due within one year

	31/8/21 £	31/8/20 £
Trade debtors	318	-
Other debtors	-	1,300
VAT	29,923	59,390
Prepayments and accrued income	159,382	156,021
	189,623	216,711

17. Creditors: amounts falling due within one year

	31/8/21 £	31/8/20 £
Trade creditors	488,896	404,804
Social security and other taxes	146,720	130,521
Accruals and deferred income	139,676	154,508
	775,292	689,833

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

17. Creditors: amounts falling due within one year - continued

Deferred income

	31/8/21	31/8/20
	£	£
Deferred income as at 1st September 2020	82,775	81,639
Resources deferred in the year	66,734	82,775
Amounts released from previous years	<u>(82,775)</u>	<u>(81,639)</u>
Deferred income as at 31st August 2021	<u>66,734</u>	<u>82,775</u>

At the balance sheet date, the Trust was holding funds received in advance from the ESFA in respect of the Universal Infant Free School Meals and school trips in 2021/22.

18. Movement in funds

	At 1.9.20	Net movement in funds	Transfers between funds	At 31.8.21
	£	£	£	£
Restricted general funds				
General Annual Grant (GAG)	248,138	321,367	(29,453)	540,052
Pension deficit	(3,231,000)	(1,524,000)	-	(4,755,000)
Restricted fixed assets funds	<u>13,251,667</u>	<u>(171,325)</u>	<u>29,453</u>	<u>13,109,795</u>
	<u>10,268,805</u>	<u>(1,373,958)</u>	<u>-</u>	<u>8,894,847</u>
TOTAL FUNDS	<u>10,268,805</u>	<u>(1,373,958)</u>	<u>-</u>	<u>8,894,847</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Restricted general funds				
General Annual Grant (GAG)	4,169,997	(3,848,630)	-	321,367
Local Authority grants	563,289	(563,289)	-	-
Other DfE / ESFA grants	1,172,456	(1,172,456)	-	-
Other	223,728	(223,728)	-	-
Pension deficit	-	(370,000)	(1,154,000)	(1,524,000)
Restricted fixed assets funds	<u>24,112</u>	<u>(195,437)</u>	<u>-</u>	<u>(171,325)</u>
	<u>6,153,582</u>	<u>(6,373,540)</u>	<u>(1,154,000)</u>	<u>(1,373,958)</u>
Unrestricted fund				
General fund	114	(114)	-	-
TOTAL FUNDS	<u>6,153,696</u>	<u>(6,373,654)</u>	<u>(1,154,000)</u>	<u>(1,373,958)</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

18. Movement in funds - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
General Annual Grant (GAG)	250,290	77,656	(79,808)	248,138
Pension deficit	(2,612,000)	(619,000)	-	(3,231,000)
Restricted fixed assets funds	13,312,818	(140,959)	79,808	13,251,667
	<u>10,951,108</u>	<u>(682,303)</u>	<u>-</u>	<u>10,268,805</u>
TOTAL FUNDS	<u>10,951,108</u>	<u>(682,303)</u>	<u>-</u>	<u>10,268,805</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	3,999,977	(3,922,321)	-	77,656
Local Authority grants	558,333	(558,333)	-	-
Other DfE / ESFA grants	994,654	(994,654)	-	-
Other	147,510	(147,510)	-	-
Pension deficit	-	(348,000)	(271,000)	(619,000)
Restricted fixed assets funds	23,635	(164,594)	-	(140,959)
	<u>5,724,109</u>	<u>(6,135,412)</u>	<u>(271,000)</u>	<u>(682,303)</u>
Unrestricted fund				
General fund	11,504	(11,504)	-	-
TOTAL FUNDS	<u>5,735,613</u>	<u>(6,146,916)</u>	<u>(271,000)</u>	<u>(682,303)</u>

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 ESFA 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 2021.

Other DfE/ESFA 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.

18. Movement in funds - continued

Purposes of restricted fixed assets funds

The restricted fixed assets funds reflect 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 in the accounting policies.

Analysis of academies by fund balance

The trust manages costs centrally and operates the trust as a single unified organisation. Consequently, the carried forward surplus is considered to be attributable to the trust, rather than to individual constituent academies.

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	955,422	728,508	187,169	530,719	2,401,818
Norton-Le-Moors Primary Academy	541,924	364,514	9,932	289,753	1,206,123
Whitfield Valley Primary Academy	856,925	723,394	56,198	563,759	2,200,276
FRS102 pension charge	-	-	-	370,000	370,000
Academy Trust	2,354,271	1,816,416	253,299	1,754,231	6,178,217

19. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

19. Pension and similar obligations - continued

Valuation of the teachers' pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £380,380 (2020 - £297,593).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2021 was £416,546 (2020 - £355,606), of which employer's contributions totalled £335,780 (2020 - £283,547) and employees' contributions totalled £80,766 (2020 - £72,059). The agreed contribution rates for future years are 27.20 per cent 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Present value of funded obligations	(8,328,000)	(5,834,000)
Fair value of plan assets	<u>3,573,000</u>	<u>2,603,000</u>
	(4,755,000)	(3,231,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(4,755,000)</u>	<u>(3,231,000)</u>
Net liability	<u>(4,755,000)</u>	<u>(3,231,000)</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

19. Pension and similar obligations - continued

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

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Current service cost	648,000	581,000
Net interest from net defined benefit asset/liability	<u>57,000</u>	<u>53,000</u>
	<u>705,000</u>	<u>634,000</u>
Actual return on plan assets	<u>571,000</u>	<u>(43,000)</u>

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

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Opening defined benefit obligation	5,834,000	4,917,000
Current service cost	648,000	581,000
Contributions by scheme participants	81,000	73,000
Interest cost	105,000	100,000
Benefits paid	(17,000)	(18,000)
Actuarial (gains)/losses from changes in financial assumptions	<u>1,677,000</u>	<u>181,000</u>
	<u>8,328,000</u>	<u>5,834,000</u>

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

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Opening fair value of scheme assets	2,603,000	2,305,000
Contributions by employer	335,000	286,000
Contributions by scheme participants	81,000	73,000
Expected return	48,000	47,000
Actuarial gains/(losses)	523,000	(90,000)
Benefits paid	<u>(17,000)</u>	<u>(18,000)</u>
	<u>3,573,000</u>	<u>2,603,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

19. Pension and similar obligations - continued

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

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Actuarial (gains)/losses from changes in financial assumptions	(1,677,000)	(181,000)
	<u>(1,677,000)</u>	<u>(181,000)</u>

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

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Equities	2,536,830	1,770,040
Bonds	678,870	520,600
Property	250,110	208,240
Cash	107,190	104,120
	<u>3,573,000</u>	<u>2,603,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31/8/21	31/8/20
Discount rate	1.65%	1.70%
Future salary increases	3.30%	2.60%
Future pension increases	2.90%	2.20%
Inflation assumption (CPI)	2.90%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

Retiring today		
Males	21.4	21.2
Females	24.0	23.6
Retiring in 20 years		
Males	22.5	22.1
Females	25.7	25.0

Sensitivity analysis

	31/8/21	31/8/20
	£	£
Discount rate +0.1%	(251,000)	(185,800)
Discount rate -0.1%	251,000	185,800
Mortality assumption - 1 year increase	333,000	23,600
Mortality assumption - 1 year decrease	(333,000)	(23,600)
CPI rate +0.1%	29,000	158,600
CPI rate -0.1%	(29,000)	(158,600)

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

20. Long-term commitments, including operating leases

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/8/21	31/8/20
	£	£
Within one year	61,107	20,423
Between one and five years	<u>117,934</u>	<u>36,564</u>
	<u>179,041</u>	<u>56,987</u>

21. Related party disclosures

No related party transactions took place in the period of account.

22. Reconciliation of net expenditure to net cash flow from operating activities

	31/8/21	31/8/20
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(219,958)	(411,303)
Adjustments for:		
Depreciation charges	195,437	187,787
Capital grants from DfE/ESFA	(24,112)	(23,635)
Profit on disposal of fixed assets	-	(23,192)
Interest received	(114)	(372)
(Increase)/decrease in stocks	(768)	9,569
Decrease/(increase) in debtors	27,088	(25,352)
Increase in creditors	85,459	232,811
Difference between pension charge and cash contributions	<u>370,000</u>	<u>348,000</u>
Net cash provided by operations	<u>433,032</u>	<u>294,313</u>

23. Analysis of changes in net funds

	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank	<u>720,348</u>	<u>403,693</u>	<u>1,124,041</u>
	<u>720,348</u>	<u>403,693</u>	<u>1,124,041</u>
Total	<u>720,348</u>	<u>403,693</u>	<u>1,124,041</u>