

# Inspiring Schools Partnership

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

Registration number: 07557634

# **Inspiring Schools Partnership**

## **Contents**

Reference and Administrative Details	1 to 2
Governors' Report	3 to 19
Governance Statement	20 to 24
Statement on Regularity, Propriety and Compliance	25
Statement of Trustees' Responsibilities	26
Independent Auditor's Report on the Financial Statements	27 to 29
Independent Reporting Accountant's Report on Regularity	30 to 31
Statement of Financial Activities incorporating Income and Expenditure Account	32 to 33
Balance Sheet	34
Statement of Cash Flows	35
Notes to the Financial Statements	36 to 61

# Inspiring Schools Partnership

## Reference and Administrative Details

### Members

C Searls  
K Martin  
N Newall  
T Livesy  
S Cornwell

### Governors and Trustees (Directors)

C Searls, Chair  
C Hannaford, was Executive Principal, remains Chief Executive Officer and Accounting Officer  
D Bowles (resigned 10 May 2017)  
S Cornwell  
N Demuth (appointed 1 November 2016)  
J Holland, Head Teacher - Montpelier Primary School (appointed 1 November 2016)  
W Tout, Vice Chair (appointed 1 November 2016)  
S Waite (appointed 1 November 2016)  
M Bate, Staff governor (resigned 16 December 2016)  
Rev G Cryer, Vice Chair (resigned 16 December 2016)  
S Gill, Staff governor (resigned 16 December 2016)  
R Gilley (resigned 16 December 2016)  
J Cole (appointed 11 November 2017)

## Inspiring Schools Partnership

### Reference and Administrative Details (continued)

<b>Principal</b>	C Hannaford
<b>Company Secretary</b>	C Burnard
<b>Senior Management Team</b>	<p>C Hannaford, Principal (until 31/08/2017) - Stoke Damerel Community College</p> <p>A Frier, Vice Principal (Principal from 01/09/2017) - Stoke Damerel Community College</p> <p>J Griffiths, Vice Principal - Stoke Damerel Community College</p> <p>P Arnold, Assistant Vice Principal - Stoke Damerel Community College</p> <p>L Beacham, Assistant Vice Principal - Stoke Damerel Community College</p> <p>C Burnard, Business Manager - Stoke Damerel Community College</p> <p>D Cole, Assistant Vice Principal - Stoke Damerel Community College</p> <p>S Giles, Assistant Vice Principal - Stoke Damerel Community College</p> <p>S Kelly, Assistant Vice Principal - Stoke Damerel Community College</p> <p>S Murphy, Assistant Vice Principal - Stoke Damerel Community College</p> <p>J Ware, Assistant Vice Principal - Stoke Damerel Community College</p> <p>M Cox, Vice Principal - Scott Medical and Healthcare College</p> <p>J Holland, Head Teacher - Montpelier Primary School</p> <p>A West, Deputy Head Teacher - Montpelier Primary School</p> <p>T Spragg, Assistant Head Teacher - Montpelier Primary School</p>
<b>Principal and Registered Office</b>	<p>Somerset Place</p> <p>Stoke</p> <p>Plymouth</p> <p>Devon</p> <p>PL3 4BD</p>
<b>Company Registration Number</b>	07557634
<b>Auditors</b>	<p>Francis Clark LLP</p> <p>Senior Statutory Auditor</p> <p>North Quay House</p> <p>Sutton Harbour</p> <p>Plymouth</p>
<b>Bankers</b>	<p>Lloyds TSB Bank PLC</p> <p>Royal Parade</p> <p>Plymouth</p>
<b>Solicitors</b>	<p>Browne Jacobson</p> <p>1 Manor Court</p> <p>Dix's Field</p> <p>Exeter</p>

## **Inspiring Schools Partnership**

### **Governors' Report for the Year Ended 31 August 2017**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017.

The Academy Trust operates an Academy for pupils aged 4 to 19 serving a catchment area in Plymouth. It has a pupil capacity of 2,138 including a sixth form of 300 and had a roll of 2,066 in the 18 May 2017 school census. Montpelier Primary became an Academy and joined Inspiring Schools Partnership on 1 October 2016 enabling education within the Trust for students from 4 years of age.

#### **Structure, governance and management**

##### ***Constitution***

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 Inspiring Schools Partnership are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Inspiring Schools Partnership. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

Each member of the charitable company undertakes to contribute to the assets of the 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.

##### ***Governors' indemnities***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees. Every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favours or in which is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty breach of trust in relation to the affairs of the Academy Trust.

##### ***Method of recruitment and appointment or election of Governors***

The Members may appoint up to 12 Governors, which must include 3 Staff Governors and a minimum of 3 Parent Governors and the Principal. The Staff Governor may be appointed through such processes which the Members determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors. Parent Governors are elected by parents of registered pupils at the Academy; a Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. Any election of Parent Governors which is contested is held by secret ballot. The number of Parent Governors required is made up by Parent Governors appointed by the Governing Body. Governors may appoint up to three Co-opted Governors. A "Co-opted Governor" means a person who is appointed to be a Governor by being co-opted by Governors who have not been so appointed. Election of the Chair and Vice Chair of Governors is held annually. Governors nominate before the election meeting, and election is conducted by a show of hands where this is one candidate, or secret ballot where there is more than one candidate. In the event of a tie, each candidate is given the opportunity to speak to the Governors about their nomination and a further vote will be taken.

# **Inspiring Schools Partnership**

## **Governors' Report for the Year Ended 31 August 2017**

### ***Policies and procedures adopted for the induction and training of Governors***

All new Trustees and Governors are assigned an experienced Governor mentor to assist them in taking on new responsibilities; and are required to attend the new Governor training course provided by Plymouth City Council.

### ***Organisational structure***

The structure consists of four levels: The Members; the Trustees; the Local Governing Bodies; and the Senior Leadership Teams.

The Members of the Trust comprises of the signatories of the Memorandum, including the Chair of Trustees. The Members have defined the roles of the Trustees. The Members meet annually to determine the strategic direction of the schools within the Trust and to review the progress against the strategic objectives for the schools.

The Trustees are made up of the Accounting Officer, the Heads of School, the Chair of each Local Governing Body and other members from the Academies community, both elected and appointed.

The Trustees Committees operate in accordance with the documented terms of reference. The terms of reference for the Pay and Personnel Committee is to ensure effective and efficient use of the resources; both human and financial. The terms of reference for the Resources Committee is to formulate policy, review and interrogate financial report, approve School budgets, approve financial statements for Companies House, receive the audit report, determine capital expenditure plans, and review and make recommendations on IT, catering, health and safety and maintenance of premises.

The management teams comprise the following:

#### **Stoke Damerel Community College**

- The Principal
- Two Vice Principals
- Six Assistant Vice Principals
- The Business Manager

#### **Montpelier Primary**

- The Head Teacher
- The Deputy Head Teacher
- The Assistant Head Teacher

#### **Scott Medical and Healthcare College**

- The Head Teacher
- The Deputy Head Teacher

These roles have the executive responsibility for implementing the Trustees' policies and delivering on the Objects of the Articles of Association as described in the Leadership and Management publication.

### ***Arrangements for setting pay and remuneration of key management personnel***

The Pay and Personnel Committee meets annually to review the performance of key management personnel, set pay and remuneration, and to review the performance of teaching staff following the regulations set out in Teachers' Pay and Conditions document.

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### ***Related parties and other connected charities and organisations***

Stoke Damerel Community College is an active member of the Plymouth Teaching School Alliance (PTSA) and as such is involved in school to school support, CPD and ITT programme. The Multi Academy Trust is the sponsor of Scott Medical and Healthcare College studio school which opened to its first students on 1 September 2017.

#### **Objectives and activities**

##### ***Objects and aims***

The principal object and activity of the charitable company is in the operation of Stoke Damerel Community College, Scott Medical and Healthcare College and Montpelier Primary to provide the highest quality education for pupils of different abilities between the ages of 4 and 19.

Stoke Damerel Community College is an Investors in People Gold Award holder and subscribes to the value of investing in staff to ensure a high calibre workforce to facilitate the progress and achievement of all students. The trust looks to achieve this award across all its schools.

The trust is also committed to the School Direct Training Scheme based at Stoke Damerel CC which allows us to train and develop our own teachers. This was extended in 2015 to the Troops to Teachers scheme operated by the University of Brighton.

In accordance with the articles of association the Academy Trust's object is restricted to the following: to advance for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, management and developing schools offering a broad and balanced curriculum.

The main objectives of the Academy during the period ended 31 August 2017 are summarised below:

- To establish, maintain, carry on, manage and develop the Academy;
- To support the new schools within the Academy developing a cross-phase education;
- To cooperate with other charities, other independent and maintained schools, voluntary bodies and statutory bodies operation in the furtherance of the Object and to exchange information and advice with them; and
- To provide educational facilities and services to students of all ages and the wider community for the public benefit.

##### ***Objectives, strategies and activities***

The Multi Academy Trust's main strategic goal is to ensure that our students are excited by their learning in the classroom and beyond, committed to achieving their very best and confident about their futures. We aim to develop students who are aspirational, creative, reflective, confident and responsible young people. Activities provided include:

- Teaching and learning opportunities for all students to attain outstanding academic progress and qualifications;
- Extra-curriculum programmes to support wider learning;
- A structured programme of continuous professional development for teaching staff and trainees;
- A programme of out of the classroom activities including overseas visits;
- Targeted individual student support including specialist support unit and early intervention; and
- A programme of health and well-being advice and support.

##### ***Public benefit***

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

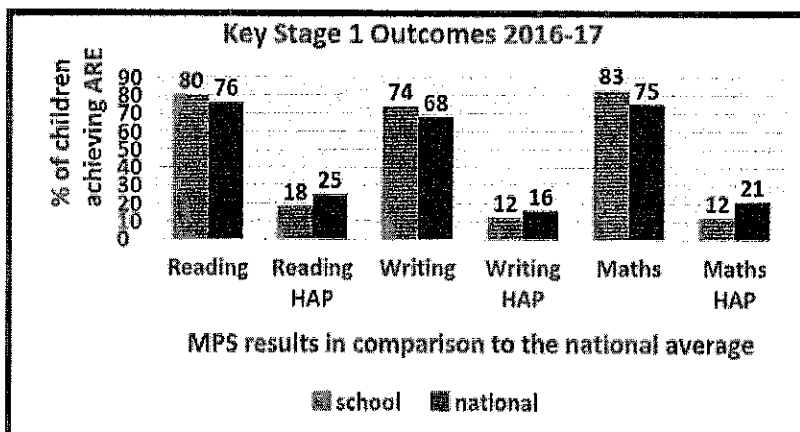
##### Achievements and performance

###### Montpellier Primary

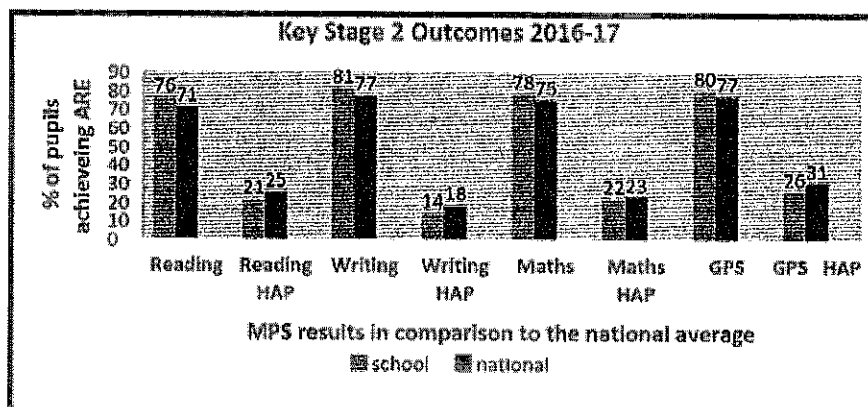
**Foundation Stage - Good Level of Development (GLD):** 67% of our pupils achieved a GLD; progress from baseline on entry is good. There has been a drop of 3% in pupils achieving GLD compared to last year. This particular cohort had poor on entry speech and language skills. However, from baseline assessment, progress has been good.

**Phonics Outcomes:** In Year 1, 88% of our pupils achieved the phonics screening. By the end of Year 2, 98% of pupils met the expected standard. These results are above national expectations.

**Key Stage 1:** Key Stage 1 outcomes are above the national average.



**Key Stage 2:** Key Stage 2 outcomes for achievement have shown significant improvements since 2015-16 with the school now being in line or better than national expectations in all subjects. 63% of pupils achieved ARE in reading, writing and mathematics at Key Stage 2 which is 2% above the national and a 13% increase from 2015-16. There has been a 20% increase in the number of children achieving ARE in reading; an increase of 6% in children achieving ARE in writing and a 26% increase in mathematics.



Progress measures have also improved at KS2 with results generally in line with the national measure of 0: reading -0.5; writing -0.9; and mathematics -0.9.



# Inspiring Schools Partnership

## Governors' Report for the Year Ended 31 August 2017

### Strategic Report

#### Outcomes for Groups

##### Disadvantaged Pupils

The school continues to focus on narrowing the attainment gap at Key Stage 1 and 2.

- 63% of Pupil Premium pupils achieved a GLD, a 49% increase from the previous year.
- 75% of Pupil Premium pupils achieved the phonic screening threshold.
- Year 1 has narrowed the attainment gap in all subjects for Pupil Premium pupils.
- 31% of Pupil Premium pupils achieved the expected standard in RWM at Year 2 compared to 75% of non-Pupil Premium.
- 38% of Pupil Premium pupils achieved the expected standard in RWM at Year 6 compared to 75% of non-Pupil Premium.
- We are narrowing the attainment gap in reading across the school.

For 2017-18, individualised action plans are being used to narrow children's gaps using targeted specific interventions. Intervention groups sizes are to have no more than 2-3 children, and a 'little and often approach' is deemed most successful. Same day interventions run by teaching staff will ensure gaps in learning are immediately closed.

##### HAP

KS2 outcomes for HAP pupils have improved in all subjects since 2015-16.

- 12% increase in the number of pupils reading at a greater depth.
- 2% increase in the number of children achieving writing at a greater depth.
- 9% increase in the number of children who achieved a greater depth of learning in mathematics.

Outcomes for HAP at Key Stage 1 and Key Stage 2 remain a key priority for 2017-18 as the school is below national benchmarks in all subjects at both key stages.

This year the school will be looking at Visible Learning. This strategy aims to improve outcomes for all pupils by developing a language of learning through which pupils will know their next steps and their goals. Embedding AET maths, a mastery approach to mathematics introduced into the school in 2015-16, will help to develop challenge for HAP pupils in mathematics.

##### SEN

- 23% of our SEN pupils achieved ARE in RWM at Key Stage 1.
- 17% of our SEN pupils achieved ARE in RWM at Key Stage 2.
- Progress for SEN pupils at Key Stage 2 was -5.2 (0 being national expectation).

##### Year Groups

Apart from Y4, all year groups are achieving above the 2017 national average of 61%. In Y1 and Y2, combined ARE is above the floor target of 65%. Predictions for 2017-18 indicate that all year groups would be above the national average and the government floor target of 65%.

	Y1	Y2	Y3	Y4	Y5	Y6	NATIONAL
Reading/Writing/Mathematics Combined	69%	69%	63%	51%	62%	63%	61%
Predictions for 2017-18	78%	79%	80%	78%	70%	90%	61% (2017)

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

Stoke Damerei Community College

#### Progress -0.67

Year 11 GCSE Results (August 2017)	All pupils	Disadvantaged	Other	Boys	Girls	SEN EHCP	SEN Support	No SEN
<b>Progress 8</b>								
Overall	-0.67	-0.67	-0.66	-0.75	-0.55	0.96	-0.49	-0.75
English	-0.78	-0.80	-0.77	-0.98	-0.51	1.25	-0.95	-0.84
Maths	-0.56	-0.59	-0.53	-0.48	-0.66	2.10	-0.38	-0.69
EBacc	-0.67	-0.74	-0.60	-0.75	-0.56	1.08	-0.60	-0.75
Other	-0.66	-0.57	-0.75	-0.79	-0.48	-0.10	-0.15	-0.76
Number of pupils included in P8	211	100	111	123	88	7	27	177
<b>Attainment 8</b>								
Overall	35.91	32.90	38.63	36.18	35.53	32.50	32.07	36.66
English	7.69	7.10	8.22	7.53	7.91	7.56	6.25	7.91
Maths	6.98	6.29	7.60	7.35	6.46	7.33	6.07	7.10
EBacc	9.27	8.11	10.31	9.40	9.08	8.50	7.82	9.53
Other	11.38	11.41	12.49	11.90	12.08	9.11	11.93	12.12

Progress	GCSE Results			
A8 estimates from Shadow 2016 results using 2017 pts	All	HA	MA	LA
Students included in progress 8 measure	211	66	109	36
Progress 8	0.67	1.17	0.67	0.26
P8 - English	0.78	1.20	0.82	0.10
P8 - Mathematics	0.56	1.08	0.60	0.52
P8 - EBacc	0.67	1.17	0.71	0.36
P8 - Open	0.66	1.22	0.58	0.11

Progress 8 is approximately 0.5 below last year. This is an area that we are striving to improve. 10% of the cohort did not have all buckets filled. This is due to a number of reasons (alternative provision, emotional and social issues, EHCP, nurture) and there is a case study available for each of these students. If I discount these students from the figures our P8 score becomes -0.47. English dropped much more than expected this year and the results caused a surprise.

#### Prior Attainment

Low ability students perform above those nationally and this is a huge strength of the school. The concerning area and the main reason for the fall in results is the underperformance of our high ability students. This year there were 31% of them and this is substantially more than in previous years (2016 -15%). This cohort is our main focus for 2018 and we have already entered them in Y10 for English Literature and CPD around challenge and expectations are well underway. There is still work to do with the middle ability students but it is expected that as the expectations and challenge is raised for all students, this will also improve outcomes for middle ability children.

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

##### *Gender*

The gender gap is 0.2 in favour of females. Again, knowing boys perform slightly worse than girls this cohort contained 58% of boys which did have a negative impact on overall results. There is work to be done around boys in English and already the 2018 cohort have done incredibly well as we have trialled all boys groups and other strategies to raise boys attainment in this area.

##### *Disadvantaged*

There is little gap between the progress made for our disadvantaged students and other students which is positive, however as both cohorts are underperforming we have ensured disadvantaged students remain a priority, particularly as we have a cohort containing 48% disadvantaged.

##### *SEN (EHCP)*

The progress our EHCP students made is fantastic and demonstrates the success of our SEN department. We pride ourselves on being an inclusive school and these students made progress of 0.88. 1.94 in Mathematics is a particular highlight showing that they achieved 2 grades higher than would have been expected nationally.

##### *Attainment 8 = 35.91*

This is lower than we would expect and a drop from last year although due to the new point scoring system it is impossible to compare the with last years results. The analysis and reflection would be identical to the progress information above.

Other Measures	
% achieving 9-5 in English and maths	17.6
% achieving 9-4 in English and maths	38.0
% achieving English Baccalaureate	7.7
% entered for English Baccalaureate	16.7

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

##### 2017 Key Stage 5 Outcomes

The level 3 results consists of three sections:

- Academic which includes A level and Extended Project Qualification.
- Applied General which includes BTEC Level 3 and Cambridge Technical Level 3 Qualifications.
- Technical Level which includes a particular set of qualifications, for us this is only our 3D design.

The results for A level have improved slightly this year from last year. The average point score has increased by just under half a grade. The progress has improved slightly and with the predicted floor target of -0.6 we will have met minimum standards.

##### A Level cohort

*Includes students entered for at least half an A level*

		2016	
		School	National
Number of students at end of A level study (for average grade measure)	59	69	
Average points score per A level entry	27.68	23.74	31.79
Average points score per A level entry expressed as a grade	C-	D+	C+
Value Added score	-0.47	-0.51	
Lower confidence interval	-0.68	-0.72	
Upper confidence interval	-0.26	-0.30	
Number of A level entries (for value added measure)	120	145	

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

The BTEC and Cambridge Technical Qualifications have decreased slightly in attainment and we have moved from an average of a distinction to a distinction minus. More of a concern is the progress decreasing. This is largely due to a few subjects.

##### Applied General cohort

*Includes students entered for applied general qualifications equivalent to at least half an A level entry*

		2016	
		School	National
Number of students at end of applied general study (for average grade measure)	51	73	
Average points score per applied general entry	33.13	34.58	34.69
Average points score per applied general entry expressed as a grade	Dist-	Dist	Dist
Value Added score	-0.38	-0.14	
Lower confidence interval	-0.58	-0.33	
Upper confidence interval	-0.18	0.05	
Number of applied general entries (for value added measure)	69	101	

##### Technical Level cohort

Eight students completed the Art and Design Cambridge Technical which now counts as a technical level qualification and are calculated separately. They had an average point score of 32.5 and a value added score of -1.0

##### Subjects

At A level the top performing subjects in terms of attainment were in descending order: Further Maths; Spanish; Media; English; Biology; and Photography, all with an average grade of above a C. With regards to progress Physics, Further Maths and Media all had positive progress scores.

In applied subjects Sport single and double, IT, music and dance all had positive progress and had good attainment levels.

The biggest areas of concern this year were Art, Chemistry, Psychology and Maths A levels along with Health and Social Care, 3D design and Applied Science.

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

##### *Groups*

- Ability groups - the highest attaining student's progress has improved for academic and applied subjects, in the case of applied by nearly a whole grade from last year. Our lowest ability student's progress has fallen in both academic and applied.
- Gender - improvements have been made with males in academic subjects with regard to value added. They are still below females in attainment and in the top 10 students there were two males but they did make significantly more progress than females in A levels.
- Disadvantaged - The progress made for disadvantaged students (-0.7) compared to non (-0.4) has not changed for academic subjects compared to last year. The attainment gap has got slightly wider this year (3.9 to 6.1), although both have improved. The applied general subjects have disadvantaged students outperforming non in both attainment and progress.

##### *Vocational Qualifications*

Our vocational programme has again been very successful again this year. The outcomes for each area are as follows:

	<b>L1/L2 (no. students)</b>	<b>L2/L3 (no. students)</b>
Service Industry	100% (5)	60% (5)
Childcare / Health and Social Care	100% (11)	71% (7)
IT	100% (4)	33% (3)
Art & Design / Media	80% (4)	66% (3)
Motor Trades / Marine Engineering	100% (7)	20% (5)
Animal Care	100% (2)	
Sport	66% (3)	
Building / Construction	33% (3)	

All lower pass rates have been investigated and have either been as a result of individual cases, the small cohorts making an impact. Or in the case of IT a change in assessment measures has meant that they struggled with the exam. Students are much more likely to complete the course successfully in year 12 (80%) than in year 13 (52%) and year 14 (33%), these are smaller cohorts however and usually a higher level course, therefore more difficult to pass.

##### *GCSE Retake Results*

Students are measured in the DfE data based on those leaving or left but counting on our figures, the average progress in Maths has stayed consistent at above National Average. English has gone down this year because the large number of students that passed this year were in year 12 and will therefore not show on the results until next year. The tracking system for this is now being changed so that we can ensure that we focus on year 13 leavers fully.

## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

English and Maths Progress Measure	2016	2017
<i>DfE Shadow Data</i>	<i>Validated</i>	<i>Un-validated</i>
No. of students in English progress measure	58	37
Average progress made in English	-0.12	-0.47
No. of students in Maths progress measure	76	68
Average progress made in Maths	-0.11	-0.08
<i>National Data</i>		
Average progress made in English	-0.11	
Average progress made in Maths	-0.13	

The cohorts for academic year 2017 are as follows:

Subject	Cohort Size	Pass Rate	National Average for 18 Year Olds
English	30	43.3%	24.0%
Maths	59	18.6%	16.5%

#### Scott Medical and Healthcare College

Scott College opened as planned on 4 September 2017. The College is oversubscribed in year 9 and in year 12 has 60 students.

Scott College has opened in temporary accommodation on The Millfields in Plymouth whilst the permanent accommodation is built outside Stoke Damerel Community College. The new building is planned to open in August 2018 to allow the second cohort of students to start in the new purpose built accommodation.

Scott College have successfully recruited 10 teaching staff, 3 support staff and 2 administrators.

What makes Scott College different from a traditional secondary school is the small classes, the provision of a personal coach and preparation for work placement. In year 12 these become real work placements for one day a week.

Priorities for the coming year include the recruitment of a new cohort of students for year 9 and year 12, the recruitment of new teachers and support staff to bring Scott College to scale, and the continued search for high quality work placements for our students at all levels.

# Inspiring Schools Partnership

## Governors' Report for the Year Ended 31 August 2017

### Strategic Report

#### Key performance indicators

Trustees, Governors and senior leaders and staff are ambitious for all our students and aim to be above the national average in all performance indicators. Performance tables for examinations taken in 2017 include revised curriculum and assessment measures with an emphasis on the progress students make across both academic and vocational areas.

At primary level, apart from Y4, all year groups are achieving above the 2017 national average of 61%. In Y1 and Y2, combined ARE is above the floor target of 65%. Predictions for 2017-18 indicate that all year groups would be above the national average and the government floor target of 65%.

The basic measure at KS4 dropped by 12% in 2017. The percentage achieving the pass rate in English and Maths dropped and both of these subjects are a priority in 2018. Whilst it was a turbulent year for both subjects and more information is attached it is a measure we are focusing on improving and already achieving 48% of the 2018 cohort passing Literature we are in a great place to do this.

All previous figures were based on the whole cohort. We have case studies written for a number of students where we adjusted the curriculum for them or they could not access the whole curriculum due to a number of reasons, mental health, illness, late arrivals etc. We felt it was right for the child to continue their education within Stoke Damerel as we pride ourselves on always doing what is best for that individual. This is further supported by our Kirkland Rowell survey, low exclusion figures and how few students leave us mid-year. Below is what the figures would have looked like when these students are removed.

Year 11 GCSE Results (August 2017)	All pupils	Disadvantaged	Other	Boys	Girls	SEN EHCP	SEN Support	No SEN
Progress 8								
Overall	-0.47	-0.36	-0.58	-0.51	-0.43	0.96	-0.26	-0.57
English	-0.52	-0.43	-0.60	-0.65	-0.36	1.25	-0.57	-0.60
Maths	-0.38	-0.27	-0.47	-0.25	-0.55	2.10	-0.21	-0.52
EBacc	-0.47	-0.43	-0.50	-0.52	-0.41	1.08	-0.43	-0.54
Other	-0.51	-0.32	-0.65	-0.58	-0.41	-0.10	0.09	-0.61

Progress 8	GCSE results			
Adjusted from Shadow 2016 results using 2017 pts	All	MA	MA	MA
Progress 8	-0.47	-0.80	-0.58	0.30
P8 - English	-0.52	-0.72	-0.67	0.18
P8 - Mathematics	-0.38	-0.87	-0.50	0.56
P8 - Ebacc	-0.47	-0.77	-0.61	0.38
P8 - Open	-0.51	-0.96	-0.50	0.13

#### Priorities

- Improve breadth of curriculum as 20% of students did not have all buckets filled and the remainder had at most 9 qualifications.
- Improve Maths and English results.
- Improve the outcomes within EBACC.
- Improve performance of high ability students.
- Ensure the outcomes of disadvantaged students remain in line with others.



## Inspiring Schools Partnership

### Governors' Report for the Year Ended 31 August 2017

#### Strategic Report

##### *Priorities (continued)*

The key financial performance indicator for the Multi Academy Trust is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the Academy is Government or Local Authority funded and therefore the income of the Academy is secured.

An expenditure budget is set at the beginning of the year, taking into consideration that level of Government funding. The Governors have reviewed detailed capital and revenue reports compared to expenditure budget, which confirms that the processes and procedures in place for controlling expenditure are acceptable. The carried forward General Annual Grant is within acceptable parameters

##### *KS5 Destinations*

There has been quite a change in destinations this year. Previously the vast majority of students going on to further learning went to university. This year we saw a great many more apprenticeships rather than higher education. The breakdown is as follows:

<b>Destinations %</b>	<b>National average (2015-16)</b>	<b>2016 leavers 100</b>	<b>2017 leavers 117</b>
Higher Education inc:	32.5%	55 (55.0%) inc:	28 (23.9%) inc:
<i>Plymouth University</i>		23 (23.0%)	14 (12.0%)
<i>Marjon</i>		4 (4.0%)	4 (4.3%)
Apprenticeships	11.0%	10 (10.0%)	21 (18.0%)
Employment	28.3%	13 (13.0%)	22 (18.8%)
Other:	16.3%	26 (26.0%) inc:	35 (29.9%) inc:
<i>Year 14 SDCC</i>		-	19 (16.2%)
<i>Further Education</i>		23 (23.0%)	10 (8.5%)
<i>Gap Year</i>		3 (3.0%)	5 (4.3%)
<i>Moved out of area</i>		-	1 (0.9%)
NEET	11.9%	6 (6.0%)	10 (8.5%)

##### *Targets for 2018*

ALPS Progress Target	3
A Level	A* - B 40% A* - E 100%
Applied General	Dist* - Dist 68%
GCSE retake	National average or better
NEET	6% or below

## **Inspiring Schools Partnership**

### **Governors' Report for the Year Ended 31 August 2017**

#### **Strategic Report**

##### ***Going concern***

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

##### **Financial review**

The Academy held fund balances at 31 August 2017 of £11,604k comprising £148k of restricted funds, £468k of unrestricted funds, a fixed asset fund of £17,151k and a pension reserve deficit of £6,163k.

£6,274k of income and £2,393k of expenditure is attributable to Montpellier Primary, which transferred into Inspiring Schools Partnership on 1 October 2016, and therefore is not comparable to the prior year.

In accordance with the Funding Agreement, the principal source of general funding with which to finance the operations of the Academy Trust, is the Department of Education. During the year £344k of general funding was spent on capital items. The Academy has £182k of GAG reserve to carry forward as well as other restricted reserves totalling £8k and a deficit on the Other Scott College Fund of £42k.

During the year the Academy Trust spent £1,636k on fixed asset additions, mainly on building works (on the existing schools and the Scott College build) and computer equipment purchases.

The Trust managed the finances well over the last financial year dealing with challenges such as providing additional support within key subject areas to support student progress.

Pupil Premium funding has enabled the Trust to support the disadvantaged students with smaller class sizes, additional pastoral support, along with individual student support as identified throughout the academic year.

## **Inspiring Schools Partnership**

### **Governors' Report for the Year Ended 31 August 2017**

#### **Strategic Report**

##### ***Reserves policy***

The Trustees use the allocated funding for the full benefit of the current students. It is not the intention of the Trustees of Inspiring Schools Partnership to build reserves without clear direction of why this is required.

Our Multi Academy Trust has a reserve buffer against changes (decreases) in total income year on year. Our reserves will be no more than 2% of our revenue income and will give the college assurance when setting the budget and making staffing deployment decisions. The Multi Academy Trust reviews all resourcing costs (including staffing) on a continual basis to ensure best value is achieved and that budget are managed, this is the main function of the Spending Review Group.

The carry forward in year balance is restricted general and unrestricted reserves of £616k.

Stoke Damerel carry forward in year balance of restricted general and unrestricted reserves of £462k is to support projects yet to be completed and reducing budgets over the coming year:

1. New Gym windows - £75k
2. Alarm System Upgrade - £25k
3. Incomplete Summer works - £10k
4. Project works - £20k
5. Health Needs Assessment - £4k
6. Teacher subject specialism training - £21k
7. STEM - £2k
8. External Catering - £31k
9. Chromebooks - £10k
10. Furniture - £3k
11. Lockers - £5k
12. Young Carers - £1k
13. School Fund - £7k

Montpelier Primary carry forward in year balance of restricted general and unrestricted reserves of £195k. These reserves have been earmarked to meet the cost of restructuring to include redundancies, early retirement and strain costs.

Scott Medical and Healthcare College overspend of £41k relates to items purchased in advance of opening and will be met from the 2017/18 budget allocation.

##### ***Investment policy***

The Multi Academy Trust's investment policy aims to manage the cash balance of the Trust providing for day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus balances against inflation. In addition the Trustees aim to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is an absolute minimum risk to the loss of these cash funds.

# **Inspiring Schools Partnership**

## **Governors' Report for the Year Ended 31 August 2017**

### **Strategic Report**

#### ***Principal risks and uncertainties***

The Trust uses the risk register to identify principal risk and uncertainties facing the school to assess how these will be dealt with. This is reviewed on a regular basis and links with the college improvement plan.

Some of the key risks facing the trust are:

- Budget increases of minus 1.5%;
- New budget formula; and
- Student numbers across all schools with the Trust.

Budget risk: The Trustees will continue to receive regular budget updates to ensure the budget is spent as per the budget setting process. The schools will continue to review their individual budgets and discuss the curriculum, staffing and budget implications to ensure each school remains within its budget allocation.

New formula: The new formula will be planned into the budget.

Student numbers: The Trust continues to focus on Quality First Teaching to ensure all students are given the opportunity to achieve their potential and by doing so this upholds the Colleges reputation across the city. The College holds one open evening per year for the next intake of pupils and has shown that this has been successful in showcasing the college and recruiting students for future years.

#### ***Plans for future periods***

The Multi Academy Trust increased in schools with Montpelier Primary joining the Trust in October 2016 and Scott Medical and Healthcare College opening to its first students in September 2017. The Trust continues to investigate a merger with another Multi Academy Trust. The aim of any potential merger is to improve outcomes for students of all stages and abilities through collaboration with other schools across the country.

The top priorities for our students are:

- To continue to improve student outcomes in English and Mathematics well above national average;
- To diminish the difference in attainment and progress of Pupil Premium, particularly PP Haps, and other students;
- To improve outcomes for HAP students at all Key stages;
- To improve teaching, achievement and attainment across all EBacc subjects;
- Continue high levels of progress from KS4 to KS5;
- Ensure positive progression routes into higher education, employment and training for all students;
- To provide the best possible learning environment for all our students by listening and acting on what they have to say;
- To improve attainment at KS5, particularly in relation to A\*/B grades in A Level and Distinction in vocational subjects;
- To ensure progression from KS2 to KS3 and maintain progress throughout KS3 thereby providing foundation for outcomes at the end of KS4;
- To continue to develop the support for our partners as Multi Academy Trust; and
- To build professional relationships with future Multi Academy Trust partners.

## **Inspiring Schools Partnership**

### **Governors' Report for the Year Ended 31 August 2017**

#### **Strategic Report**

##### **Employment of disabled persons**

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. Arrangements will be made to ensure employees who have been injured or disabled in the course of their employment can, where possible, continue employment with the trust. During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

##### **Description of employee consultation**

The Trust actively promotes and ensures that employees are fully consulted and informed on all matters relating to their employment and changes within the organisation. A variety of strategies are used to communicate this including briefings, whole staff meeting, CPD sessions and written correspondence. Time is built into any major changes with the opportunity for internal and external consultation with appropriate employee representative.

##### **Auditor**

In so far as the Trustees are aware:

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

Approved by order of the Board of Governors on 14/12/17 and signed on its behalf by:



C Searls  
Governor

# Inspiring Schools Partnership

## Governance Statement

### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to C Hannaford, 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 Inspiring Schools Partnership and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C Searls	5	5
C Hannaford	5	5
D Bowles	1	3
S Cornwell	5	5
N Demuth	3	5
J Holland	5	5
W Tout	4	5
S Waite	2	5
M Bate	0	1
Rev G Cryer	0	1
S Gill	0	1
R Gilley	0	1

### Governance reviews

The Responsible Officer carried out a review of Governance 2016-17 which was primarily focused around the management accounts and other key documents submitted to the Resources Committee. The audit visit identifies that the College operates sound financial controls and procedures in all areas reviewed enabling a "high" level of assurance to be given overall, which demonstrates an embedded sound financial control framework.

## Inspiring Schools Partnership

### Governance Statement (continued)

#### *Governance reviews (continued)*

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure that the resources allocated to the college are used to provide the best provision for pupils. The Governing Body recognises that it is accountable for the way in which resources are used and is committed to carrying out this responsibility honestly, transparently and with integrity. The committee operates in accordance with the provisions of the Scheme for Financing Schools and the Academies Financial Handbook. The Resources Committee has delegated responsibility from the Governing Body to ensure the principles of Best Value are followed to fulfil the responsibilities as specified below:

- Challenge – why, how and by whom an activity is carried out;
- Compare – performance against other school and between part of each school;
- Consult – involve stakeholders, especially pupils and parents;
- Compete – as a means of securing efficient and effective services.

This committee will make decisions and/or take recommendations to the full Governing Body.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
C Searls	1	1
C Hannaford	1	1
Rev G Cryer	1	1
D Bowles	0	1
J Cole	0	1
S Cornwell	0	1

# **Inspiring Schools Partnership**

## **Governance Statement (continued)**

### **Review of value for money**

As Accounting Officer the Principal 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 education and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available.

One area that has steered best value is through the development of a 'Spending Review Group'. This group consists of the Principal, Vice Principals, Business Manager, HR Manager and the seconded Assistant Vice Principal. The group membership ensures that the staff responsible for curriculum design, timetabling, budget management are all present. Other members join this group as required. The focus of this group is to review all aspects of delivering a quality education whilst achieving best value.

The Accounting Officer for the Academy Trust has also delivered improved value for money during the year by:

- Providing a broad, balanced and integrated curriculum
- Providing quality first teaching and learning
- Reviewing the staffing structure regularly to ensure staff are deployed efficiently to support the curriculum. An example of this can be seen with the increase in sets for English, Maths and Science.
- Supporting individual students in small nurture groups and with one to one tuition.
- Head Teacher completed training as Ofsted additional inspector.
- Completing our second year of School Direct Trainees – with all completing the course to a high standard.
- Deepening the support we offer to students who are entitled to Pupil Premium funding to ensure they achieve at a level above the national average and closing the gap on all students at Stoke Damerel.
- Continuing to support the autistic spectrum disorder through our specialist ASD special centre.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Inspiring Schools Partnership for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

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



## **Inspiring Schools Partnership**

### **Governance Statement (continued)**

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance/Resource Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Devon Audit Partnership as Responsible Officer (RO).

The RO role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Responsible Officer provides reports to the Governing Committees in advance of the half termly meetings. The reports review the operation of the system of control and on the discharge of the Board of Governors' financial responsibilities.

The schedule of work of the Responsible Officer is reviewed and agreed by the governors on an annual basis but this year included:

- Governance, accounting and financial control
- Internal financial control – income
- Internal financial control – purchases and payments
- Internal financial control – salaries, wages and expenses

There were no material control or other issues reported by the RO to date.

## Inspiring Schools Partnership

### Governance Statement (continued)

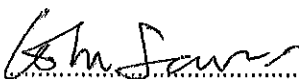
#### Review of effectiveness

As Accounting Officer, C Hannaford 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 within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14/12/17 and signed on its behalf by:



C Searls  
Governor and trustee



C Hannaford  
Accounting officer  
Principal

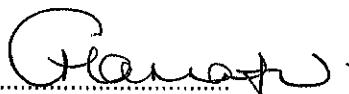
## Inspiring Schools Partnership

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Inspiring Schools Partnership 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 ESFA 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 2016.

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 2016.

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



C Hannaford  
Accounting officer

Date: 28/12/17

## Inspiring Schools Partnership

### Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Inspiring Schools Partnership and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published 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 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:

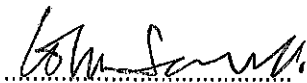
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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.

Approved by order of the members of the Board of Trustees on 14/12/17 and signed on its behalf by:



C Searls  
Governor and trustee

## **Inspiring Schools Partnership**

### **Independent Auditor's Report on the Financial Statements to the Members of Inspiring Schools Partnership**

#### **Opinion**

We have audited the financial statements of Inspiring Schools Partnership (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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.

#### **Use of our report**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

## **Inspiring Schools Partnership**

### **Independent Auditor's Report on the Financial Statements to the Members of Inspiring Schools Partnership (continued)**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Governors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Governors' Report.

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 [set out on page 26], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Inspiring Schools Partnership

### Independent Auditor's Report on the Financial Statements to the Members of Inspiring Schools Partnership (continued)

#### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

  
.....  
Duncan Leslie (Senior Statutory Auditor)  
Francis Clark LLP, Statutory Auditor  
North Quay House  
Sutton Harbour  
Plymouth

Date: 19/12/17

## **Inspiring Schools Partnership**

### **Independent Reporting Accountant's Report on Regularity to Inspiring Schools Partnership and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 22 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspiring Schools Partnership during the period 1 September 2016 to 31 August 2017 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 Inspiring Schools Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Inspiring Schools Partnership and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inspiring Schools Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's Accounting Officer and the reporting Accountant**

The Accounting Officer is responsible, under the requirements of Inspiring Schools Partnership's funding agreement with the Secretary of State for Education dated 1 September 2012 and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

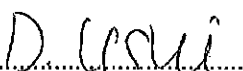


## Inspiring Schools Partnership

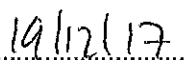
### Independent Reporting Accountant's Report on Regularity to Inspiring Schools Partnership and the Education and Skills Funding Agency (continued)

#### Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Duncan Leslie  
Francis Clark LLP, Chartered Accountants  
North Quay House  
Sutton Harbour  
Plymouth

Date: 

## Inspiring Schools Partnership

### Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	155,508	(1,290,531)	6,150,940	5,015,917
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	30,171	11,265,129	-	11,295,300
Other trading activities	4	66,801	121,312	-	188,113
Investments	5	914	-	-	914
<b>Total</b>		<b>253,394</b>	<b>10,095,910</b>	<b>6,150,940</b>	<b>16,500,244</b>
<b>Expenditure on:</b>					
Raising funds	6	20,105	5,467	-	25,572
<i>Charitable activities:</i>					
Academy trust educational operations	7	47,450	11,728,722	409,360	12,185,532
<b>Total</b>		<b>67,555</b>	<b>11,734,189</b>	<b>409,360</b>	<b>12,211,104</b>
Net income/(expenditure)		185,839	(1,638,279)	5,741,580	4,289,140
Transfers between funds		-	(354,596)	354,596	-
<b>Other recognised gains and losses</b>					
Actuarial loss on defined benefit pension schemes	25	-	1,019,000	-	1,019,000
Net movement in funds/(deficit)		185,839	(973,875)	6,096,176	5,308,140
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2016		282,639	(5,051,387)	11,065,043	6,296,295
Total funds/(deficit) carried forward at 31 August 2017		468,478	(6,025,262)	17,161,219	11,604,435

## Inspiring Schools Partnership

### Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	763	5,552	391,853	398,168
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	27,290	8,849,700	-	8,876,990
Other trading activities	4	76,923	-	-	76,923
Investments	5	1,091	-	-	1,091
<b>Total</b>		<b>106,067</b>	<b>8,855,252</b>	<b>391,853</b>	<b>9,353,172</b>
<b>Expenditure on:</b>					
Raising funds	6	26,739	3,140	-	29,879
<i>Charitable activities:</i>					
Academy trust educational operations	7	13,996	8,741,614	341,229	9,096,839
<b>Total</b>		<b>40,735</b>	<b>8,744,754</b>	<b>341,229</b>	<b>9,126,718</b>
Net income		65,332	110,498	50,624	226,454
Transfers between funds		-	(231,261)	231,261	-
<b>Other recognised gains and losses</b>					
Actuarial loss on defined benefit pension schemes	25	-	(2,157,000)	-	(2,157,000)
Net movement in funds/(deficit)		65,332	(2,277,763)	281,885	(1,930,546)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2015		217,307	(2,773,624)	10,783,158	8,226,841
Total funds/(deficit) carried forward at 31 August 2016		<u>282,639</u>	<u>(5,051,387)</u>	<u>11,065,043</u>	<u>6,296,295</u>

# Inspiring Schools Partnership

(Registration number: 07557634)  
Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	8,851	17,442
Tangible assets	13	<u>17,122,425</u>	<u>10,866,586</u>
		<u>17,131,276</u>	<u>10,884,028</u>
<b>Current assets</b>			
Debtors	14	967,712	374,295
Cash at bank and in hand		<u>822,001</u>	<u>1,010,144</u>
		1,789,713	1,384,439
Creditors: Amounts falling due within one year	15	<u>(1,153,554)</u>	<u>(673,172)</u>
Net current assets		<u>636,159</u>	<u>711,267</u>
Total assets less current liabilities		<u>17,767,435</u>	<u>11,595,295</u>
Net assets excluding pension liability		17,767,435	11,595,295
Defined benefit pension scheme liability	25	<u>(6,163,000)</u>	<u>(5,299,000)</u>
Total assets		<u>11,604,435</u>	<u>6,296,295</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		147,917	247,613
Restricted fixed asset fund		17,151,040	11,065,043
Restricted pension fund		<u>(6,163,000)</u>	<u>(5,299,000)</u>
		11,135,957	6,013,656
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>468,478</u>	<u>282,639</u>
Total funds		<u>11,604,435</u>	<u>6,296,295</u>

The financial statements on pages 32 to 61 were approved by the Trustees, and authorised for issue on ~~14/12/17~~ and signed on their behalf by:



C Searls  
Governor and trustee

## Inspiring Schools Partnership

### Statement of Cash Flows for the Year Ended 31 August 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	316,612	556,494
Cash flows from investing activities	22	<u>(504,755)</u>	<u>(49,154)</u>
Change in cash and cash equivalents in the year		(188,143)	507,340
Cash and cash equivalents at 1 September		<u>1,010,144</u>	<u>502,804</u>
Cash and cash equivalents at 31 August	23	<u>822,001</u>	<u>1,010,144</u>

# **Inspiring Schools Partnership**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **1 Accounting policies**

#### **Statement of accounting policies**

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

#### **Basis of preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Inspiring Schools Partnership Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **Conversion to an Academy Trust**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Montpellier Primary School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Inspiring Schools Partnership. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in 'Donations - transfer from local authority on conversion' in the Statement of Financial Activities and analysed under unrestricted funds, restricted funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

#### **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 incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

## **Inspiring Schools Partnership**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### ***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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

The trust is benefiting from the ESFA's Free School Programme for the construction of Scott Medical and Healthcare College. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls through ownership the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

##### ***Donations***

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

##### ***Other income***

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

##### ***Donated goods, facilities and services***

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

##### ***Transfer on conversion***

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

# Inspiring Schools Partnership

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 1 Accounting policies (continued)

#### *Transfer of existing academies into the trust*

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

#### *Donated fixed assets*

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**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

#### *Expenditure on raising funds*

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

#### *Charitable activities*

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

#### **Intangible fixed assets**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Software	33% straight line



## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### **Tangible fixed assets**

Assets costing £1,000 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.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land	Not depreciated
Leasehold and freehold buildings	2% straight line
Fixtures and fittings	10% straight line
Motor vehicles	10% straight line
Computer equipment	33% straight line
Assets under the course of construction	Not depreciated

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### **Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

## **Inspiring Schools Partnership**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### **Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

##### **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.

## **Inspiring Schools Partnership**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### **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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

##### **Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

##### **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.

## **Inspiring Schools Partnership**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### ***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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### ***Critical areas of judgement***

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by The Academy Trust either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of The Academy Trust's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Capital grants	-	-	1,115,731	1,115,731	391,853
Donations - transfer from local authority on conversion	155,508	(1,294,000)	5,035,209	3,896,717	-
Other donations	-	3,469	-	3,469	6,315
	<u>155,508</u>	<u>(1,290,531)</u>	<u>6,150,940</u>	<u>5,015,917</u>	<u>398,168</u>

#### 3 Funding for Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE/ESFA revenue grants</b>				
Other DfE/ESFA grants	-	916,165	916,165	618,573
General Annual Grant (GAG)	-	9,605,571	9,605,571	7,608,118
Start Up Grants	-	145,000	145,000	90,000
	<u>-</u>	<u>10,666,736</u>	<u>10,666,736</u>	<u>8,316,691</u>
<b>Other government grants</b>				
Other restricted funds	-	93,975	93,975	86,800
Local Authority grants	-	255,688	255,688	289,911
	<u>-</u>	<u>349,663</u>	<u>349,663</u>	<u>376,711</u>
<b>Non-government grants and other income</b>				
Other income from the academy trust's educational operations	30,171	248,730	278,901	183,588
Total grants	<u>30,171</u>	<u>11,265,129</u>	<u>11,295,300</u>	<u>8,876,990</u>

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	20,967	-	20,967	16,824
Other Income	45,834	121,312	167,146	60,099
	<u>66,801</u>	<u>121,312</u>	<u>188,113</u>	<u>76,923</u>

#### 5 Investment income

	Unrestricted funds £	Total 2017 £	Total 2016 £
Short term deposits	<u>914</u>	<u>914</u>	<u>1,091</u>

#### 6 Expenditure

	Non Pay Expenditure			Total 2017 £	Total 2016 £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds	-	-	25,572	25,572	29,879
<b>Academy's educational operations</b>					
Direct costs	8,114,781	-	499,507	8,614,288	6,520,158
Allocated support costs	<u>1,504,624</u>	<u>836,714</u>	<u>1,229,906</u>	<u>3,571,244</u>	<u>2,576,681</u>
	<u>9,619,405</u>	<u>836,714</u>	<u>1,754,985</u>	<u>12,211,104</u>	<u>9,126,718</u>

# Inspiring Schools Partnership

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 6 Expenditure (continued)

Net incoming/outgoing resources for the year include:

	2017 £	2016 £
Operating leases - other leases	28,648	39,978
Depreciation of tangible fixed assets	400,769	332,638
Amortisation of intangible fixed assets	8,591	8,591
Fees payable to auditor - audit	17,705	9,000
- other audit services	1,660	1,815
	<u>457,383</u>	<u>392,822</u>

### 7 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	8,614,288	6,520,158
Support costs - educational operations	<u>3,571,244</u>	<u>2,576,681</u>
	<u>12,185,532</u>	<u>9,096,839</u>

	Educational operations £	Total 2017 £	Total 2016 £
<b>Analysis of support costs</b>			
Support staff costs	1,504,624	1,504,624	922,276
Depreciation	409,360	409,360	341,229
Technology costs	134,856	134,856	-
Premises costs	427,354	427,354	445,522
Other support costs	1,069,227	1,069,227	850,993
Governance costs	25,823	25,823	16,661
Total support costs	<u>3,571,244</u>	<u>3,571,244</u>	<u>2,576,681</u>

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 8 Staff

	2017 £	2016 £
<b>Staff costs during the year were:</b>		
Wages and salaries	7,343,521	5,657,336
Social security costs	619,187	387,324
Pension costs	1,587,781	928,752
Apprenticeship levy	3,177	-
Supply teacher costs	32,959	-
Staff restructuring costs	32,780	54,147
	<u>9,619,405</u>	<u>7,027,559</u>

	2017 £	2016 £
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	23,558	19,500
Severance payments	9,222	34,647
	<u>32,780</u>	<u>54,147</u>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2016: £6,250). Individually, the payments were:

Non-contractual payments: £Nil (2016: £6,250)

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

	2017 No	2016 No
<b>Charitable Activities</b>		
Teachers	134	104
Administration and support	204	151
Management	15	11
	<u>353</u>	<u>266</u>



## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 8 Staff (continued)

The number of employees whose emoluments (excludes pension contributions) fell within the following bands was:

	2017 No	2016 No
£60,001 - £70,000	4	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1

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 £1,093,242 (2016: £796,734).

#### 9 Central services

No central services were provided by the Academy Trust to its academies during the period and no central charges arose.

#### 10 Related party transactions - Trustees' remuneration and expenses

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

C Hannaford (Principal and governor):

Remuneration: £115,000 - £120,000 (2016 - £120,000 - £125,000)

Employer's pension contributions: £15,000 - £20,000 (2016 - £15,000 - £20,000)

S Gill (Staff governor):

Remuneration: £45,000 - £50,000 (2016 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

M Bate (Staff governor):

Remuneration: £35,000 - £40,000 (2016 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

J Cole (Staff governor):

Remuneration: £0 - £5,000 (2016 - £Nil)

Employer's pension contributions: £Nil (2016 - £Nil)

During the year ended 31 August 2017, travel and subsistence expenses totalling £1,290 (2016 - £121) were reimbursed or paid directly to 3 Trustees (2016 - 2).

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 10 Related party transactions - Trustees' remuneration and expenses (continued)

Other related party transactions involving the Trustees are set out in note 26.

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5 million on any one claim.

#### 12 Intangible fixed assets

	Software £	Total £
<b>Cost</b>		
At 1 September 2016	26,033	26,033
At 31 August 2017	26,033	26,033
<b>Amortisation</b>		
At 1 September 2016	8,591	8,591
Charge for the year	8,591	8,591
At 31 August 2017	17,182	17,182
<b>Net book value</b>		
At 31 August 2017	8,851	8,851
At 31 August 2016	17,442	17,442

# Inspiring Schools Partnership

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>							
At 1 September 2016	10,998,455	-	952,612	-	443,721	121,688	12,516,476
Additions	659,352	-	19,299	-	318,003	639,095	1,635,749
Transfer on conversion	-	4,952,589	49,466	6,118	12,686	-	5,020,859
At 31 August 2017	11,657,807	4,952,589	1,021,377	6,118	774,410	760,783	19,173,084
<b>Depreciation</b>							
At 1 September 2016	897,366	-	382,302	-	370,222	-	1,649,890
Charge for the year	178,970	57,724	100,351	561	63,163	-	400,769
At 31 August 2017	1,076,336	57,724	482,653	561	433,385	-	2,050,659
<b>Net book value</b>							
At 31 August 2017	10,581,471	4,894,865	538,724	5,557	341,025	760,783	17,122,425
At 31 August 2016	10,101,089	-	570,310	-	73,499	121,688	10,866,586

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 14 Debtors

	2017 £	2016 £
Trade debtors	41,814	2,585
Prepayments	76,544	-
Accrued grant and other income	630,458	214,327
VAT recoverable	218,896	131,807
Other debtors	-	25,576
	<u>967,712</u>	<u>374,295</u>

#### 15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	754,289	482,687
Other creditors	188,635	149,780
Accruals	154,101	22,164
Deferred income	56,529	18,541
	<u>1,153,554</u>	<u>673,172</u>

	2017 £
Deferred income at 1 September 2016	(18,541)
Resources deferred in the period	(56,529)
Amounts released from previous periods	<u>18,541</u>
Deferred income at 31 August 2017	<u>(56,529)</u>

Deferred income represents income received for Universal Infant Free School Meals for the next academic year.

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 16 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	163,887	9,645,984	(9,289,328)	(338,417)	182,126
Other DfE/ESFA grants	-	161,016	(161,016)	-	-
Pupil Premium	-	649,819	(649,819)	-	-
LA Grants	-	412,876	(412,876)	-	-
Other restricted funds	5,068	375,215	(372,482)	-	7,801
Start up grant	78,658	145,000	(223,658)	-	-
Other Scott College funds	-	-	(36,010)	(6,000)	(42,010)
	<u>247,613</u>	<u>11,389,910</u>	<u>(11,145,189)</u>	<u>(344,417)</u>	<u>147,917</u>
<b>Restricted fixed asset funds</b>					
Assets transferred from the LA	8,526,845	5,020,859	(215,195)	-	13,332,509
DfE/ESFA capital grants	29,628	55,206	-	(65,070)	19,764
Other capital grants	151,388	1,074,875	-	(1,226,263)	-
Assets purchased since conversion	<u>2,357,182</u>	<u>-</u>	<u>(194,165)</u>	<u>1,635,750</u>	<u>3,798,767</u>
	11,065,043	6,150,940	(409,360)	344,417	17,151,040
<b>Restricted pension funds</b>					
Pension reserve	<u>(5,299,000)</u>	<u>(1,294,000)</u>	<u>(589,000)</u>	<u>1,019,000</u>	<u>(6,163,000)</u>
Total restricted funds	6,013,656	16,246,850	(12,143,549)	1,019,000	11,135,957
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>282,639</u>	<u>253,394</u>	<u>(67,555)</u>	<u>-</u>	<u>468,478</u>
Total funds	<u>6,296,295</u>	<u>16,500,244</u>	<u>(12,211,104)</u>	<u>1,019,000</u>	<u>11,604,435</u>

## **Inspiring Schools Partnership**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **16 Funds (continued)**

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

The General Annual Grant (GAG) is applied in strict accordance with the terms of the Funding Agreement, which prescribes that this funding is used to cover the normal running costs of the Academy. Under the Funding Agreement there are no limits on the amount of GAG which can be carried forward.

Start-up grants received in year of £25,000 to support the transition of Montpelier Primary School to an Academy, and £120,000 to cover initial set up costs of Scott Medical and Healthcare College.

Other DfE and ESFA Grants includes £650,000 Pupil Premium which is used by the Trust to raise attainment in pupils from low income families which has been spent during the year; also included is Universal Infant Free School Meal funding of £40,000. £24,000 to support Year 7 catch up intervention and £94,000 to support Teacher Training programmes.

LEA and other grants income includes £413,000 funding to support specific provisions for pupils with special educational needs.

Other General Funds represents contributions from students £5,000, and £137,000 relating to school trips, all spent during the year.

The Pension Fund Reserve deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present. £1,294,000 deficit was transferred from Montpelier Primary School.

The DfE and ESFA capital grants represents funding specifically provided to support capital expenditures on fixed assets. The Fixed Asset Fund represents the current value of all fixed assets owned by the Trust. £5,034,000 was transferred from Montpelier Primary School.

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 16 Funds (continued)

##### Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Stoke Damerel Community College	462,305
Scott Medical and Healthcare College	(41,290)
Montpelier Primary School	<u>195,380</u>
Total before fixed assets and pension reserve	616,395
Restricted fixed asset fund	17,151,040
Pension reserve	<u>(6,163,000)</u>
Total	<u>11,604,435</u>

Scott Medical and Healthcare College is carrying a net deficit of £41,290 on these funds because:

Initial set up costs have exceeded the start up grant received by year end.

The trust is taking the following action to return the academy to surplus:

General Annual Grant and other start up grant received in the next academic year will offset the deficit.

##### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £	Total 2016 £
Stoke Damerel Community College	6,145,701	868,926	398,137	1,196,219	8,608,983	8,458,508
Scott Medical and Healthcare College	143,947	-	11,771	122,532	278,250	83,982
Montpelier Primary School	<u>1,825,131</u>	<u>185,698</u>	<u>89,598</u>	<u>225,081</u>	<u>2,325,508</u>	<u>-</u>
Academy Trust	<u>8,114,779</u>	<u>1,054,624</u>	<u>499,506</u>	<u>1,543,832</u>	<u>11,212,741</u>	<u>8,542,490</u>

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	8,851	8,851
Tangible fixed assets	-	-	17,122,425	17,122,425
Current assets	468,478	1,301,471	19,764	1,789,713
Current liabilities	-	(1,153,554)	-	(1,153,554)
Pension scheme liability	-	(6,163,000)	-	(6,163,000)
Total net assets	<u>468,478</u>	<u>(6,015,083)</u>	<u>17,151,040</u>	<u>11,604,435</u>

#### 18 Capital commitments

	2017 £	2016 £
Contracted for, but not provided in the financial statements	<u>4,355,109</u>	<u>151,388</u>



# Inspiring Schools Partnership

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 19 Financial commitments

#### *Operating leases*

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	10,642	15,888
Amounts due between one and five years	16,676	27,319
	<u>27,318</u>	<u>43,207</u>

### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2017 £	2016 £
Net income	4,289,140	226,454
Amortisation	8,591	8,591
Depreciation	400,769	332,638
Capital grants from DfE and other capital income	(1,130,080)	(391,853)
Donated capital	(5,020,859)	-
Interest receivable	(914)	(1,091)
Defined benefit pension scheme obligation inherited	1,294,000	-
Defined benefit pension scheme cost less contributions payable	450,000	132,000
Defined benefit pension scheme finance cost	139,000	111,000
Increase in debtors	(593,417)	(80,973)
Increase in creditors	480,382	219,728
Net cash provided by Operating Activities	<u>316,612</u>	<u>556,494</u>

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 21 Cash flows from financing activities

	2017 £	2016 £
Interest received	914	1,091
Net cash inflow from returns on investments and servicing of finance	914	1,091

#### 22 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	914	1,091
Purchase of intangible fixed assets	-	(26,033)
Purchase of tangible fixed assets	(1,635,749)	(416,065)
Capital grants from DfE/ESFA	1,130,080	391,853
Net cash used in investing activities	(504,755)	(49,154)

#### 23 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	822,001	1,010,144
Total cash and cash equivalents	822,001	1,010,144

#### 24 Members' liability

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

#### 25 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 Devon Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

## **Inspiring Schools Partnership**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **25 Pension and similar obligations (continued)**

##### **Teachers' Pension Scheme**

###### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

###### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £682,792 (2016: £563,589).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a 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.

# Inspiring Schools Partnership

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 25 Pension and similar obligations (continued)

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £490,000 (2016 - £324,000), of which employer's contributions totalled £369,000 (2016 - £242,000) and employees' contributions totalled £121,000 (2016 - £82,000). The agreed contribution rates for future years are 15.3% per cent for employers and 5.5 - 12.5% per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from Montpelier Primary School and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.30
Discount rate for scheme liabilities	2.60	2.20
Inflation assumptions (CPI)	2.70	2.30
RPI increases	<u>3.60</u>	<u>3.20</u>

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

	At 31 August 2017	At 31 August 2016
<b>Retiring today</b>		
Males retiring today	23.40	22.90
Females retiring today	25.50	26.20
<b>Retiring in 20 years</b>		
Males retiring in 20 years	26.70	25.20
Females retiring in 20 years	<u>27.90</u>	<u>28.60</u>

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 25 Pension and similar obligations (continued)

##### Sensitivity analysis

	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	10,322,000	8,273,000
Discount rate -0.1%	10,838,000	8,689,000
Mortality assumption – 1 year increase	10,931,000	8,708,000
Mortality assumption – 1 year decrease	10,235,000	8,254,000
Salary increases +0.1%	10,621,000	8,515,000
Salary increases -0.1%	10,533,000	8,441,000
Pension increases and deferred revaluation +0.1%	10,794,000	8,651,000
Pension increases and deferred revaluation -0.1%	<u>10,366,000</u>	<u>8,310,000</u>

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

	At 31 August 2017 £	At 31 August 2016 £
Equities	2,613,000	1,864,000
Gilts	136,000	102,000
Other bonds	109,000	84,000
Property	386,000	314,000
Cash and other liquid assets	104,000	54,000
Other	<u>1,066,000</u>	<u>761,000</u>
Total market value of assets	<u>4,414,000</u>	<u>3,179,000</u>

The actual return on scheme assets was £466,000 (2016 - £377,000).

##### Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	(817,000)	(374,000)
Interest income	85,000	109,000
Interest cost	(224,000)	(220,000)
Admin expenses	<u>(2,000)</u>	<u>(2,000)</u>
Total amount recognised in the SOFA	<u>(958,000)</u>	<u>(487,000)</u>

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 25 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2017 £	2016 £
At start of period	8,478,000	5,544,000
Conversion of academy trusts	1,846,000	-
Current service cost	817,000	374,000
Interest cost	224,000	220,000
Employee contributions	121,000	82,000
Actuarial (gain)/loss	(808,000)	2,423,000
Benefits paid	(101,000)	(165,000)
At 31 August	<u>10,577,000</u>	<u>8,478,000</u>

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

	2017 £	2016 £
At start of period	3,179,000	2,645,000
Conversion of academy trusts	552,000	-
Interest income	85,000	109,000
Actuarial gain/(loss)	211,000	268,000
Employer contributions	367,000	240,000
Employee contributions	121,000	82,000
Benefits paid	(101,000)	(165,000)
At 31 August	<u>4,414,000</u>	<u>3,179,000</u>

#### 26 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

## Inspiring Schools Partnership

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 26 Related party transactions (continued)

During the year the Academy Trust made the following related party transactions:

##### All Saints Academy

(D Bowles, Governor of Inspiring Schools Partnership, is a Governor of All Saints Academy)

Purchases from All Saints Academy of £55 (2016: £nil) were made in the year. At the balance sheet date the amount due to All Saints Academy was £Nil (2016 - £Nil).

##### Livewell Southwest CIC

(S Waite, Governor of Inspiring Schools Partnership, is CEO of Livewell Southwest CIC)

Purchases from Livewell Southwest CIC of £360 (2016: £nil) were made in the year. At the balance sheet date the amount due to Livewell Southwest CIC was £Nil (2016 - £Nil).

##### Martin Frier

(Anita Frier, Principal from 01 September 2017, father)

Martin Frier is employed on a casual basis as an exam invigilator and is remunerated at a standard rate. At the balance sheet date the amount due to Martin Frier was £Nil (2016 - £Nil).

#### 27 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £48,068 and disbursed £47,131 from the fund. An amount of £937 is included in other creditors relating to undistributed funds that is repayable to ESFA.

#### 28 Conversion to an Academy Trust

On 1 October 2016 Montpellier Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Inspiring Schools Partnership from the Plymouth City Council Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	4,952,589	4,952,589
Other tangible fixed assets	-	-	68,270	68,270
Budget surplus on LA funds	155,508	-	14,350	169,858
LGPS pension deficit	-	(1,294,000)	-	(1,294,000)
Net assets/(liabilities)	155,508	(1,294,000)	5,035,209	3,896,717