

**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

**Annual Report and Financial Statements**

**For the year ended 31 August 2022**

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**The Inspiring Change Multi-Academy Trust**  
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**Reference and administrative details of the academy, its trustees and advisers**  
**For the year ended 31 August 2022**

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<b>Members</b>	Paul Jackson Peter Haggerwood (resigned 28 September 2022) Marc Hoodless <sup>1</sup> Owen McColgan Mericka Simmons
<b>Trustees</b>	Pamela Conibeer, Chair of Trustees <sup>1</sup> Ros Coen <sup>1</sup> Esther Cook Claire Delahay Vicky Diprose Susan Greenfield <sup>1</sup> Caron Nott, Chief Executive Officer and Accounting Officer Marc Hoodless <sup>1</sup> Mericka Simmons Cathy Reid  <sup>1</sup> Member of Finance and Resources Committee
<b>Company registered number</b>	10393053
<b>Principal and registered office</b>	The Rowans Silverbank Churchill Avenue Chatham Kent ME5 0LB
<b>Senior management team</b>	Caron Nott, Chief Executive Officer Fiona May, Headteacher Claire Delahay, Executive Business Manager
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
<b>Bankers</b>	Lloyds Bank plc 142-146 High Street Chatham Kent ME4 4DU
<b>Solicitors</b>	Browne Jacobson 1 Manor Court Dix's Field Exeter EX1 1UP

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## **The Inspiring Change Multi-Academy Trust**

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#### **Trustees' Report**

#### **For the Year Ended 31 August 2022**

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The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year ended 31 August 2022.

The academy trust operates a single academy (The Rowans AP Academy) for up to 65 pupils who have been excluded, or are at risk of exclusion, from mainstream schools.

The Trust is currently working with the DfE towards the opening of a Free School (The Beeches) planned for February 2024. There have been several delays to the project but it is now at the planning stage, the outcome of which should be known by the end of 2022.

During the period 1st September 2021 to 31 August 2022, the Trust has been running a Primary Support Service (ICPSS), based on the site of Mierscourt Primary School, as a pre-cursor to The Beeches. This service has offered both outreach support and in-house provision for primary aged pupils throughout Medway and has been very well received by Primary Headteachers. The ICPSS Data Dashboard attached at Appendix 1 shows the number of pupils supported and positive outcomes achieved throughout the year.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity, and its memorandum and articles of association are the primary governing documents of the trust.

The trustees of The Inspiring Change Multi-Academy Trust are also the directors for the purposes of company law. Presently the academy trust is also known as The Rowans AP Academy.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

#### **Members' liability**

Each member of the academy trust undertakes to contribute to the assets of the company in the event of it being wound up while 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.

#### **Trustees' indemnities**

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 12 to the financial statements.

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

Under the terms of its articles, the number of trustees shall not be less than three but shall not be subject to any maximum. The academy trust shall have the following trustees:

- Up to 9 trustees appointed by the members;
- The Chief Executive Officer, if appointed as a trustee;
- A minimum of 2 parent trustees where the trustees have not appointed Local Governing Bodies in respect of the trust's academies;
- Any co-opted trustee appointed by the trustees.

The trustees shall be skilled in educational matters (especially relating to finance and legal) and be committed to providing quality educational opportunities for all stakeholders. The trustees shall also be committed and dedicated to the core purpose of the academy trust and following all charitable and financial procedures.

The trust currently has 9 trustees, plus the CEO. There is currently 1 parent trustee vacancy. This vacancy has been advertised widely amongst parents/carers but to date we have had no further interest. The nature of the alternative provision often means that pupil turnover is high and therefore it is more challenging to gain interest from parents.

In terms of further recruitment, a skills audit has been undertaken of existing trustees to identify areas of for their monitoring visits. New recruits are sought from local schools, parents and businesses who have the relevant experience/skills to complete those required on the board.

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## **The Inspiring Change Multi-Academy Trust**

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### **Trustees' Report**

#### **For the Year Ended 31 August 2022**

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

The inaugural trust board meeting was held on 5 July 2017. At this meeting, the Committee structure and terms of reference were formally adopted, and financial regulations and policies were agreed.

There are currently no local governing bodies within the trust, as the Rowans is the only academy within it, and trustees will take on this role. When The Beeches is opened, it is intended that there will be a local governing body for both The Rowans and The Beeches.

Meetings have been set for the forthcoming year, with the trust board due to meet 4 times.

The finance and resources committee members have been extended to 4 trustees, plus the CEO. The Executive Business Manager ("EBM") also attends in an advisory capacity. The finance and resources committee will also act as the audit committee and pay committee for the trust. There are 6 meetings scheduled for the 2022/23 academic year.

A skills audit has been undertaken for all trustees and an updated training programme has been set for the forthcoming year. Induction is provided for new trustees as necessary.

All new trustees are given a tour of the school and the chance to meet with staff and students. Copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees are available to all.

New trustees will be allocated focus areas, in line with their skills and experience. During their visits to school, they will meet with key staff to investigate, challenge and report back to the board on their findings.

Trustees are kept informed of school life by receiving a termly newsletter and are invited to all school functions such as Christmas dinner and celebration days. Trustees are regularly updated on any good news stories.

Trustees receive updates regarding progress towards the opening of The Beeches, detailing any meetings etc. during the month.

#### **Organisational Structure**

The organisational structure consists of three levels: the members, the trustees and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels whilst allowing a place for challenge and accountability.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The senior leadership team comprises the CEO, Headteacher and Executive Business Manager. These managers control the academy trust at an executive level implementing the policies laid down by the trustees and reporting back to them.

As a group the senior leadership team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the senior leadership team always contain a trustee. The safeguarding trustee is invited to join all teaching interviews. By attending interviews, the trustee has the opportunity to witness the recruitment procedures, give her own input and feedback to the trustees and appointments

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

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

Only staff trustees, including the Headteacher are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 11. Remuneration paid to the key management personnel, including the staff trustees, is disclosed in note 10.

All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees. The trust has currently adopted the local authority's policies, under a Service Level Agreement, but may work to develop its own policies as it expands.

Total remuneration paid to key management personnel is set out in note 10 (d).

Remuneration of all personnel is set in line with national pay spines, helping trustees conclude that individuals are paid at an appropriate level. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provide value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

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**Trustees' Report**  
**For the Year Ended 31 August 2022**

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**Trade union facility time**

Since the Trust has less than 49 full time equivalent employees throughout the year it is not required to make any disclosures in respect of trade union facility time. However, the Trust confirms that there are no trade union representatives currently employed.

**Related Parties and other Connected Charities and Organisations**

The Rowans AP Academy is currently the only school operating within the trust.

However, the trust has gained approval from the DfE to set up an Alternative Provision Free School, The Beeches, on the school site. Work is progressing towards this, with a view to an opening date of February 2024.

As previously mentioned, the trust plans to apply for post-16 education at some point in the near future and the options for this are currently being researched.

There are no connected PTA/PFA organisations or separate Voluntary Funds.

**The Trust Vision**

The Inspiring Change Trust will seek to provide provision which is responsive, flexible, cross phase and of the highest quality. The academic and emotional needs of young people are constantly changing and ICMAT should be in a position to provide the most effective and suitable support and/or provision for these young people facing challenges. ICMAT will work to ensure the education that learners receive is tailored to meet their individual needs and designed to give them the skills to improve their life chances.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

**Objects and Aims**

The trust's objects are specifically restricted to the following;

**Quality of Education**

To establish a network of outstanding cross-phase alternative provision academies and/or free schools that are focussed on achieving the best possible outcomes for young people using the highest quality leadership, teaching and support, in modern innovative learning environments.

Delivering outstanding academic, vocational, social and emotional learning which enables learners to become successful and thoughtful lifelong learners who are respectful of alternative viewpoints and ideas and who have resilience, determination and aspiration to make better choices for themselves and their futures.

**Leadership**

To ensure that there is a secure financial future for The Rowans and The Trust, building capacity and succession planning within the business support team.

Building and supporting the capacity to raise standards of learning and teaching, support and growth by developing and sharing the skills, knowledge and experience of all staff, both within current ICMAT provisions and supporting the development of further provisions where needed. Championing diversity of all genres and leading with a strong moral compass, compassion and empathy.

**Personal Development, Behaviour and attitudes**

Increasing Medway's capacity to prevent and/or reduce exclusion and improve trajectories for all excluded pupils.

Ensuring safe and stimulating learning environments across ICMAT and using robust systems to deliver effective support and well-being for all, whilst teaching young people to make more positive choices and an understanding of how their behaviour and conduct affects themselves and others around them both in the short term and long term.

**Inclusion**

All provisions will be inclusive for all pupils, offering unwavering support to schools, children and families to overcome barriers to learning.

Where possible and appropriate, children will be placed on a pathway to reintroduction to mainstream education. It is firmly believed that where a young person can be educated in the mainstream sector then they should be. We aim to support the progress of all learners, enabling them to follow the most appropriate pathway to them and gain qualifications for future pathways. The development of the learner's personal integrity, self-respect and citizenship is central to all work.

Further detail can be found in the Rowans' School Development Plan 2022-23.

The Rowans Data Dashboard (Appendix 2) and Headline Data (Appendix 3) give some key data regarding outcomes for the 2021/22 academic year.

The Rowans was inspected by Ofsted in November 2021 and maintained its Outstanding rating from the previous Ofsted report in February 2015. The Inspection Report is attached at Appendix 4.

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## The Inspiring Change Multi-Academy Trust

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### Trustees' Report

#### For the Year Ended 31 August 2022

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#### Public Benefit

The Rowans is an alternative provision academy converter catering for children aged 11 to 16 and strives to promote and support the advancement of education within the Medway area for pupils who have been excluded from mainstream schools. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic progression, music, the arts and sport, whilst supporting their specific social, emotional and mental health needs.

For example the school offers:

- an extensive interventions programme, including phonics, reading, music and therapy;
- an holistic approach to pupils' education, supporting their reintegration in mainstream settings and/or preparing them for their future education/careers;
- vocational studies in engineering, design and technology and other non-academic subjects;
- a comprehensive sports offer, including Duke of Edinburgh and other activities to enhance social and self-development skills;
- academic qualifications for the more academically able pupils who wish to continue their academic learning post-16; and
- an extensive after school extra-curricular programme which covers the needs and desires of all pupils.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the academy trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit'.

## STRATEGIC REPORT

#### Achievement and Performance

The overall achievement for the academic year 2021/22 has been good. Headline figures from exam results are shown below. On the whole they were in line with predictions and expectations, and results continuing to be far in excess of average PRU data.

Headline figures for 2021/22 academic year are shown in the table below;

Year 11 Headline Figures	The Rowans 2021-2022
Number of Year 11 pupils	25
% pupils eligible for FSM	%
Attainment 8 Average	16.94
Attainment 8 Average Boys	15.13
Attainment 8 Average Girls	20.17
Progress 8 Score	No Score
Top Progress 8 Score for individual pupil	No Score
5 or more 9-4 including English and maths (% 5 A*- C inc. English and maths)	24%
5 or more 9 - 1 including Maths and English	88%
5 or more 9-4 or their equivalent (% 5 A*-C)	24%
5 or more GCSE's (1 - 9) or their equivalent (% 5 A*-G)	88%
At least 1 GCSE 1-9 or equivalent (%1 A*-G)	100.00%
4-9 in English and Maths GCSE (% A* - C in English & Maths GCSE)	28%

The great majority of pupils have post-16 destinations. There is a strong commitment to learning, support and progress and this has ensured that pupils continue to exceed national expectations for Alternative Provision and achieve exceptional outcomes. Our own "Rowans 6" measure shows both academic and social achievements and progress.



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**Rowans 6 2021/2022**

Rowans 6 is a performance measure designed and used by The Rowans AP. It includes:

- Percentage of pupils achieving a standard pass in English and mathematics (grade 4 in the performance tables)
- Percentage of pupils achieving 5 or more qualifications, 1-9 grades
- Percentage of pupils staying in education or employment after key stage 4 (destination)
- Percentage improvement of behaviour using the Behaviour Profile tool
- Score difference in start and end point SDQ measures (mental health and well-being)
- Number of months progress in reading age

Number in 2021/2022 cohort: 25

Measure	Outcome 2021/2022
Percentage of pupils achieving a standard pass in English and mathematics	28.00%
Percentage of pupils achieving 5 or more qualifications, 1-9 grades	88.00%
Percentage of pupils staying in education or employment after key stage 4	92%
Percentage improvement of behaviour using the Behaviour Profile tool	0.54%
Score difference in start and end point SDQ measures - Pupil	0.71
Score difference in start and end point SDQ measures - Parent	-0.13
Number of months progress in reading age for the whole year	16

**Key Performance Indicators**

The trustees consider that the following are key performance indicators for the academy trust:

- Pupil numbers (leading directly to the Education & Skills and Funding Agency ("ESFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from ESFA spent on total staff costs;
- Income per pupil;
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Ofsted inspection results; and
- Capital expenditure per pupil.

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

**Going Concern**

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

**Financial review**

Most of the trust's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Total income for the year, as shown by the SoFA, amounted to £2.20m, an increase on the £1.77m in the prior year. The increase is predominantly due to an increase in government funding for the trust's educational operations as detailed in note 5.



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The SoFA shows total expenditure for the year of £2.26m, leaving net expenditure for the year before other recognised gains / (losses) of £58k (2021: £183k). The overall net movement in funds is an increase of £1,064k (2021: decrease of £349k) following an actuarial gain of £1,122k (2021: loss of £165k) relating to the Local Government Pension Scheme (LGPS).

The overall movement on all funds does not directly relate to the day-to-day running of the trust's academy due to movements on the LGPS deficit but also movements in the capital fixed asset fund. The table below has therefore been included to reconcile from the overall funds movement per the SOFA to the increase in revenue funds during the year of £118k (2021: decrease of £42k). The 'operational' result prior to revenue to capital transfers is also stated:

	2022 (£000s)	2021 (£000s)
Overall net movement in funds for the year per SOFA	1,064	(349)
(Increase) / decrease attributable to fixed asset fund	(10)	23
LGPS actuarial (gain)/loss	(1,122)	165
LGPS service and interest costs	186	119
<b>Movement in revenue funds during the year</b>	<b>118</b>	<b>(42)</b>
Add: Transfers from revenue to capital to fund fixed asset additions	47	12
<b>Operational surplus / (deficit) on revenue funds before transfers to capital</b>	<b>165</b>	<b>(30)</b>

At 31 August 2022, the net book value of fixed assets was £2.47m and movements in tangible fixed assets are shown in note 13 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

#### **Financial position**

The multi-academy trust held fund balances at 31 August 2022 of £2.76m (2021: £1.70m). These funds included restricted fixed asset funds of £2.47m (2021: £2.46m) and revenue reserves of £434k (2021: £316k) split across restricted and unrestricted funds as shown in note 16.

The only fund in deficit was the LGPS pension reserve of £140k (2021: £1.08m). The decrease in the year and the deficit carried at the balance sheet date are not of concern since the deficit does not mean that an immediate liability crystallises. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions.

These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the multi-academy trust have been set until 1 April 2023.

#### **Reserves Policy**

##### **Restricted Reserves**

Restricted reserves are those funds received by the academy either from its main EFA funding grant (GAG), other grant contributions or donations that are received for a specific project or purpose. These funds are restricted for use according to the funding agreements or donors' instructions.

The level of reserves will be determined by Trustees annually and can fluctuate depending on operational needs but the Trustees have determined that the Academy should aim to have a minimum of 2% of GAG income, amounting to £130,000 (approximately one month's salary costs) held in reserves. This is to provide sufficient reserves to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

All reserves are reported and reviewed regularly at Finance and Resources Committee meetings and expenditure impacting on reserves submitted for approval by the Full Trust Board. A review will encompass the nature of the income and expenditure requirements and the need to match income with commitments and the nature of reserves.

##### **Unrestricted Reserves**

These are derived from the academy's activities for generating funds, for example lettings and donations which are expendable at the discretion of the Trustees to achieve the objectives of the Academy. Any such funds will be reviewed regularly by the Finance and Resources Committee.

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**The Inspiring Change Multi-Academy Trust**  
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**Trustees' Report**  
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**Designated Funds**

These are unrestricted funds that have been allocated by the Trustees for a particular purpose.

**Investment Policy**

The academy trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

In addition, the academy trust aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of these cash funds.

**Principal Risks and Uncertainties**

The main risks that the academy trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Operational and reputational* - this covers risks to the running of the academy trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum. The continuing success of the trust is dependent on continuing to attract applicants in sufficient numbers. The trustees mitigate this risk by ensuring educational standards are closely monitored and reviewed.
- *Financial* - covering risks to the academy trust's financial position, including revenue streams, cost control and cash management.
- *Failures in governance and/or management* – the risk here concerns any potential failure to effectively manage the trust's finance, internal controls, compliance with regulations and legislation etc. The trustees regularly review the governance arrangements to ensure that appropriate measures are in place to combat this risk.
- *Safeguarding and protection* – it is imperative that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- *Staffing* – success is reliant on the quality of staff and hence the trustees monitor and review policies and procedures to ensure continued development and training of staff, in addition to ensure there is clear succession planning.

The risks to which the academy trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

**Fundraising**

The trust has not engaged in any fundraising activities during the period.

**PLANS FOR FUTURE PERIODS**

The trust intends to expand over the near future, offering alternative provision education to Medway (and possibly other) pupils at risk of exclusion. This will include primary as well as secondary aged pupils.

In addition to opening The Beeches AP School and possibly a post-16 provision, the trust's key aims and objectives are set out in the School Development Plan 2022-23.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The trust does not hold any funds as custodian trustee on behalf of others.

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**Trustees' Report**  
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**AUDITORS**

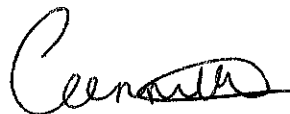
In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust'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.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, and signed on the board's behalf by:



Pamela Conibeer, Chair of Trustees



Caron Nott, Chief Executive Officer and Accounting Officer

Date: 14 December 2022

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**The Inspiring Change Multi-Academy Trust**  
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**Governance Statement**  
**For the Year Ended 31 August 2022**

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**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Inspiring Change Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The board of trustees has formally met four times during the period 1 September 2021 to 31 August 2022, with three meetings held remotely via "Zoom" and one held in person in school. The Academy Trust Handbook requires the full board to meet at least three times per annum and recommends six meetings. Although the full board of trustees has met less than six times, effective oversight has been maintained via the sub-committee meetings and the monitoring of monthly management information. The Finance and Resources Committee, which also acts as the Audit and Pay Committee, has met six times throughout the period 1 September 2021 to 31 August 2022 and reports details of those meetings to the Full Board.

Attendance during the year at meetings of the full board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Pamela Conibeer	4	4
Ros Coen	3	4
Caron Nott	4	4
Claire Delahay	4	4
Esther Cook	4	4
Susan Greenfield	3	4
Marc Hoodless	3	4
Cathy Reid	3	4
Mericka Simmons	2	4
Vicky Diprose	1	4

Conflicts of interest are declared by Trustees at the start of every meeting via a standing item on all meeting agendas and the Trust's register of interests is duly updated for any changes by the Trust Clerk. The Trust's central finance team are aware of the register including any interests and alert the Chief Executive Officer and Chief Financial Officer of any potential transactions being made before they are entered into.

**Governance reviews**

The board considered commissioning an external review in the 2021/22 year. However, having had an Ofsted inspection in November 2021 and with the impending changes to the structure when The Beeches opens in 2024, Trustees agreed to postpone until the next academic year.

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**Governance Statement**  
**For the Year Ended 31 August 2022**

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**Finance and Resources Committee**

This Committee's purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring. The Committee also acts as the trust's Audit and Pay Committee. The Committee's purposes also include to;

- Meet at least 3 times a year
- Consider and recommend to the Board an annual budget
- Receive Monthly Management Accounts from the CEO/EBM and discuss budget monitoring
- Consider and recommend to the Board the annual financial report, returns and accounts
- Ensure compliance with company/charity law and arrangements with the DfE
- Ensure all insurances are in place
- Consider/approve any litigation or arbitration proceedings
- Inform the appropriate government agency if it suspects any irregularity affecting resources, and approve any write-offs/ other requirements of the EFA/DFE
- Consider/approve any operating lease, licence, tenancy or similar arrangements for the MAT or any of the Academy schools
- Take responsibility for any disposals or acquisitions of land to be used by any academy.
- Consider and make recommendations to the Board re. the procurement and appointment of Trust contractors/lettings and tenders.
- Monitor the contracts for building maintenance and estates management.

The committee has formally met six times during the period 1 September 2021 to 31 August 2022, all of which were held remotely via "Zoom". Ros Coen, a qualified accountant, is Chair of Finance and Resources Committee and Marc Hoodless is Vice Chair.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ros Coen (Chair)	5	6
Marc Hoodless (Vice Chair)	4	6
Pam Conibeer	6	6
Susan Greenfield	4	6
Caron Nott	6	6
Claire Delahay	6	6

The Finance and Resources Committee also acts as the Audit Committee.

Its purpose is to: advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money), specifically;

- To make appropriate comments and recommendations on audit matters to the Trust Board on a regular basis.
- To advise the Trust on the appointment, reappointment, dismissal and remuneration of the audit service.
- To advise the Trust on the scope and objectives of the work of the auditor and the internal audit service.
- To consider and advise the Trust on the audit strategy and annual internal audit plans for the internal audit service.
- To discuss with the auditor before their Audit commences the nature and scope of their audit.
- To ensure the annual accounts are produced in accordance with the requirements of the Companies Act 1985 (and subsequent Acts), applicable accounting standards, the current charities Statement of Recommended Practice and the Education & Skills Funding Agency guidance issued to academies;
- To advise the Trust on internal audit assignment reports and annual reports and on control issues included in the management letters of the accountants (including their work on regularity) and management's responses to these;
- To consider and advise the Trust on relevant reports or recommendations by the EFA and other funding bodies, National Audit Office or other external body, and where appropriate, management's response to these.
- To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and spot-check reports (where appropriate) and the accountant's management letter.
- To establish, in conjunction with the Trust management, relevant annual performance measures and indicators, and to monitor the effectiveness of the accountant through these measures and indicators and decide, based on this review, whether a competition for price and quality of the accountancy/audit service is appropriate.
- To produce an annual report for the Trust Board, which should include the Committee's advice on the effectiveness of the Trust's risk management, control and governance processes, and any significant matters arising from the work of the accountant.
- To ensure that all allegations of fraud and irregularity are properly followed up.
- To ensure that the internal audit service is adequately resourced and has appropriate standing within the Trust.

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Governance Statement**  
**For the Year Ended 31 August 2022**

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- The responsibilities of the Committee shall not extend to an executive role and shall not require the Members of the Committee to offer the Trust professional advice.
- Minutes of the Audit Committee shall be presented to the Trust Board

Attendance at meetings of the Audit Committee in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Ros Coen (Chair)	1	1
Marc Hoodless (Vice Chair)	1	1
Pam Conibeer	1	1
Susan Greenfield	0	1
Caron Nott	1	1
Claire Delahay	1	1

The Finance and Resources Committee also acts as the Pay Committee

- To approve and implement the Pay Policy in a fair and objective manner and to consider any individual representations that may be made in respect of pay decisions;
- To undertake an annual pay review for each teaching member of staff based on the criteria set out in the Pay Policy with effect from 1 September;
- To observe all statutory and contractual obligations, including making arrangements to notify pay decisions to individual members of staff within appropriate timescales;
- To consider recommendations of the reviewer/Headteacher for pay rises and generically report these decisions to the next meeting of the Board;
- To consider any written representations made by employees.
- To recommend to the Finance and Resources / Trust Board the annual budget required for pay purposes, including provision for discretionary pay advancement arising from performance reviews;
- To keep informed of relevant developments including legislation and statutory guidance affecting the Pay Policy and to review and to recommend changes or modification to the Board, as appropriate and at least annually;
- To carry out the performance review of the Executive Head and review the salary of the Executive Head.
- The Headteacher performance review will be carried out by the Executive Head and the Chair or Vice Chair of Trustees.
- To work with an External Adviser for the performance review of the Headteacher.

Attendance at meetings of the Pay Committee in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Ros Coen (Chair)	1	2
Marc Hoodless (Vice Chair)	2	2
Pam Conibeer	2	2
Susan Greenfield	1	2
Caron Nott	2	2
Claire Delahay	2	2

**Review of value for money**

As accounting officer, the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

There are robust financial procedures and policies in place to ensure value for money.

There is an agreed ICT Renewals programme and an Estates and Building Management Programme in place outlining priorities over the coming three years. These plans have been agreed by the Trustees.

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Governance Statement**  
**For the Year Ended 31 August 2022**

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During the 2021/22 academic year, investments were made in line with these renewals programmes. This included;

- Set of 6 MacBooks - £5,994.
- Renewal of set of 8 Laptops - £4,182.
- Repair/replacement of doors (identified in Fire Risk Assessment) - £1,985.
- Replacement of pressurisation unit in boiler - £1,952.

Approval for expenditure on these items was agreed at Finance and Resources Committee meetings.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Inspiring Change Multi-Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

In line with the Academies Trust Handbook, the trustees appointed a separate internal audit firm in September 2020. After a process of tendering, the trustees appointed McCabe Ford Williams to undertake internal scrutiny checks. Three internal audits have been carried out during the period of 1 September 2021 to 31 August 2022. These were carried out remotely on 24 January 2022, 9 May 2022 and 4 July 2022.

The checks carried out in the current period provided assurance in the following areas:

- Budgetary Control
- Security of Assets
- Fund Accounting

All internal scrutiny visits were considered by the F&R Committee and follow up actions monitored and reported back to future meetings.

The trustees therefore consider that during the year ended 31 August 2022 the appointee has delivered their schedule of work. No significant issues have been brought to the attention of the trustees and any other points raised have been addressed accordingly.



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**The Inspiring Change Multi-Academy Trust**  
(A company limited by guarantee)

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**Governance Statement**  
**For the Year Ended 31 August 2022**

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**Review of Effectiveness**

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

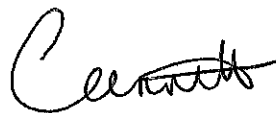
- the programme of internal scrutiny;
- the work of the external auditors; and
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the finance 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 and signed on their behalf, by:



Pamela Conibeer  
Chair of Trustees



Caron Nott  
Chief Executive Officer and Accounting Officer

Date: 14 December 2022

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Statement on Regularity, Propriety and Compliance**

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As accounting officer of The Inspiring Change Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 Academy Trust Handbook 2021.

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.



**Caron Nott**  
Accounting Officer

Date: 14 December 2022

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Statement of trustees' responsibilities**  
**For the year ended 31 August 2022**

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The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies 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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Pamela Conibeer**  
Chair of Trustees

Date: 14 December 2022

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Independent Auditors' Report on the financial statements to the Members of The Inspiring Change Multi-Academy Trust**

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**Opinion**

We have audited the financial statements of The Inspiring Change Multi-Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The trustees are responsible for the other information contained within the Annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Independent Auditors' Report on the financial statements to the Members of The Inspiring Change Multi-Academy Trust (continued)**

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

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

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

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

*How the audit was considered capable of detecting irregularities including fraud:*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academies Financial Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Independent Auditors' Report on the financial statements to the Members of The Inspiring Change Multi-Academy Trust (continued)**

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- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

**Use of our report**

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



**Allan Hickie BSc FCA (Senior statutory auditor)**

for and on behalf of

**UHY Kent LLP**

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 15 December 2022

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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Independent Reporting Accountant's Assurance Report on Regularity to The Inspiring Change Multi-Academy Trust and the Education and Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 19 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Inspiring Change Multi-Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Inspiring Change Multi-Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Inspiring Change Multi-Academy Trust and 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 The Inspiring Change Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Inspiring Change Multi-Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Inspiring Change Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 26 May 2017 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants in England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Inspiring Change Multi-Academy Trust for the year ended 31 August 2022 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.



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**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

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**Independent Reporting Accountant's Assurance Report on Regularity to The Inspiring Change Multi-Academy Trust and the Education & Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*UHY Kent LLP*

**UHY Kent LLP**  
Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: 15 December 2022

**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	100	1,920	6,633	8,653	12,009
Investments	4	49	-	-	49	45
Funding for educational operations	5	44,435	2,147,369	-	2,191,804	1,760,218
<b>Total income</b>		<b>44,584</b>	<b>2,149,289</b>	<b>6,633</b>	<b>2,200,506</b>	<b>1,772,272</b>
<b>Expenditure on:</b>						
Charitable activities	7	-	2,214,629	43,747	2,258,376	1,955,978
<b>Total expenditure</b>		<b>-</b>	<b>2,214,629</b>	<b>43,747</b>	<b>2,258,376</b>	<b>1,955,978</b>
<b>Net income/(expenditure)</b>		<b>44,584</b>	<b>(65,340)</b>	<b>(37,114)</b>	<b>(57,870)</b>	<b>(183,706)</b>
Transfers between funds	16	-	(47,292)	47,292	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>44,584</b>	<b>(112,632)</b>	<b>10,178</b>	<b>(57,870)</b>	<b>(183,706)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,122,000	-	1,122,000	(165,000)
<b>Net movement in funds</b>		<b>44,584</b>	<b>1,009,368</b>	<b>10,178</b>	<b>1,064,130</b>	<b>(348,706)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		199,763	(959,822)	2,457,346	1,697,287	2,045,993
Net movement in funds		44,584	1,009,368	10,178	1,064,130	(348,706)
<b>Total funds carried forward</b>	<b>16</b>	<b>244,347</b>	<b>49,546</b>	<b>2,467,524</b>	<b>2,761,417</b>	<b>1,697,287</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 45 form part of these financial statements.

**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 10393053**

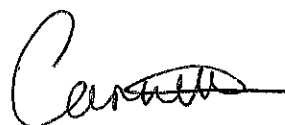
**Balance sheet**  
**As at 31 August 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	2,467,524	2,457,346
<b>Current assets</b>			
Stocks		2,255	2,255
Debtors	14	21,741	184,765
Cash at bank and in hand		486,451	163,373
		<u>510,447</u>	<u>350,393</u>
Creditors: amounts falling due within one year	15	(76,554)	(34,452)
<b>Net current assets</b>		<u>433,893</u>	<u>315,941</u>
<b>Total assets less current liabilities</b>		<u>2,901,417</u>	<u>2,773,287</u>
Defined benefit pension scheme liability	22	(140,000)	(1,076,000)
<b>Total net assets</b>		<u><u>2,761,417</u></u>	<u><u>1,697,287</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	2,467,524	2,457,346
Restricted income funds	16	189,546	116,178
		<u>2,657,070</u>	<u>2,573,524</u>
Restricted funds excluding pension liability	16	2,657,070	2,573,524
Pension reserve	16	(140,000)	(1,076,000)
<b>Total restricted funds</b>	16	<u>2,517,070</u>	<u>1,497,524</u>
<b>Unrestricted income funds</b>	16	<u>244,347</u>	<u>199,763</u>
<b>Total funds</b>		<u><u>2,761,417</u></u>	<u><u>1,697,287</u></u>

The financial statements on pages 22 to 45 were approved and authorised for issue by the trustees and are signed on their behalf, by:



**Pamela Conibeer**  
Chair of Trustees



**Caron Nott**  
Trustee and Accounting Officer

Date: 14 December 2022

The notes on pages 25 to 45 form part of these financial statements.

**The Inspiring Change Multi-Academy Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 August 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	370,321	(109,948)
<b>Cash flows from investing activities</b>	19	(47,243)	(14,652)
		<u>323,078</u>	<u>(124,600)</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents at the beginning of the year		163,373	287,973
<b>Cash and cash equivalents at the end of the year</b>	20, 21	<u>486,451</u>	<u>163,373</u>

The notes on pages 25 to 45 form part of these financial statements

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**The Inspiring Change Multi-Academy Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) 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 year it is receivable and to the extent the academy trust has provided the goods or services.

**1.4 Expenditure**

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

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**The Inspiring Change Multi-Academy Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

• **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.

Where relevant, expenditure is inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 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 Part 11, chapter 3 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. No tax charge has arisen during the year.

**1.7 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Land	- Nil
Long-term leasehold property	- over the lease term of 125 years
Furniture and equipment	- 20%
Computer equipment	- 33.33%

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.

**1.8 Debtors**

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

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**The Inspiring Change Multi-Academy Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies (continued)**

**1.9 Cash at bank and in hand**

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

**1.10 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.

**1.11 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 bases 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 note 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.

**1.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.13 Pensions**

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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.



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**The Inspiring Change Multi-Academy Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies (continued)**

**1.14 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 trustees.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 judgment:

The ultimate responsibility for setting the LGPS assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate used of 4.2% is considerably higher than the rate of 1.7% used in 2021. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £1.076m to £140k during the year.

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**3. Income from donations and capital grants**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donated assets	-	-	-	-	3,000
Donations	100	1,920	-	2,020	2,250
Capital grants	-	-	6,633	6,633	6,759
	<u>100</u>	<u>1,920</u>	<u>6,633</u>	<u>8,653</u>	<u>12,009</u>
<i>Analysis of 2021 total by fund</i>	<u>-</u>	<u>2,250</u>	<u>9,759</u>	<u>12,009</u>	

**4. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	49	49	45
	<u>45</u>	<u>45</u>	
<i>Analysis of 2021 total by fund</i>			

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**5. Funding for educational operations**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Educational operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	650,000	650,000	650,000
Other DfE/ESFA grants				
Pupil premium	-	32,060	32,060	31,523
School supplementary grant	-	39,398	39,398	-
Others	-	23,561	23,561	13,350
	-	745,019	745,019	694,873
<b>Other Government grants</b>				
Local authority grants	-	370,002	370,002	65,695
Local authority - Special educational projects	-	991,021	991,021	902,096
	-	1,361,023	1,361,023	967,791
<b>Other income from educational operations</b>	44,435	13,742	58,177	46,544
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	-	-	15,600
Mass testing funding	-	27,585	27,585	35,410
	-	27,585	27,585	51,010
	44,435	2,147,369	2,191,804	1,760,218
	18,192	1,742,026	1,760,218	
<i>Analysis of 2021 total by fund</i>				

**The Inspiring Change Multi-Academy Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**6. Expenditure**

	<b>Staff Costs</b> <b>2022</b> £	<b>Premises</b> <b>2022</b> £	<b>Other</b> <b>2022</b> £	<b>Total</b> <b>2022</b> £	<i>Total</i> <i>2021</i> £
Educational operations:					
Direct costs	1,443,525	18,400	215,093	1,677,018	1,521,761
Allocated support costs	392,774	87,806	100,778	581,358	434,217
	<u>1,836,299</u>	<u>106,206</u>	<u>315,871</u>	<u>2,258,376</u>	<u>1,955,978</u>
<i>Analysis of 2021 total</i>	<u>1,657,237</u>	<u>64,433</u>	<u>234,308</u>	<u>1,955,978</u>	

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds</b> <b>2022</b> £	<b>Total</b> <b>2022</b> £	<i>Total</i> <i>2021</i> £
Educational operations	2,258,376	2,258,376	1,955,978
<i>Analysis of 2021 total by fund</i>	<u>1,955,978</u>	<u>1,955,978</u>	

**8. Analysis of expenditure by activities**

	<b>Direct costs</b> <b>2022</b> £	<b>Support costs</b> <b>2022</b> £	<b>Total funds</b> <b>2022</b> £	<i>Total funds</i> <i>2021</i> £
Educational operations	1,677,018	581,358	2,258,376	1,955,978
<i>Analysis of 2021 total</i>	<u>1,521,761</u>	<u>434,217</u>	<u>1,955,978</u>	

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Staff costs	392,774	314,475
Premises costs	87,806	46,033
Governance costs	13,382	10,550
Other support costs	87,396	63,159
	<u>581,358</u>	<u>434,217</u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2022 £</b>	<i>2021 £</i>
Operating lease rentals	21,063	19,772
Depreciation of tangible fixed assets	43,747	44,062
Fees paid to auditors for:		
- audit	8,440	8,270
- other services	2,920	2,580
	<u>76,170</u>	<u>74,684</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2022 £</b>	<i>2021 £</i>
Wages and salaries	1,243,341	1,176,368
Social security costs	126,123	114,021
Pension costs	466,835	366,848
	<u>1,836,299</u>	<u>1,657,237</u>

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**10. Staff (continued)**

**b. Staff numbers**

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

	<b>2022</b> <b>No.</b>	<b>2021</b> <b>No.</b>
Teachers	17	17
Management	3	3
Administration and support	22	19
	<u>42</u>	<u>39</u>

The average headcount expressed as full-time equivalents was:

	<b>2022</b> <b>No.</b>	<b>2021</b> <b>No.</b>
Teachers	16	17
Management	3	3
Administration and support	17	14
	<u>36</u>	<u>34</u>

**c. Higher paid staff**

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

	<b>2022</b> <b>No.</b>	<b>2021</b> <b>No.</b>
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

Employer pension contributions for the year ended 31 August 2022 in respect of the above higher paid employees totalled £36,485 (2021 - £35,281).

**d. Key management personnel**

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £272,906 (2021 - £260,231).

**The Inspiring Change Multi-Academy Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**11. Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer (CEO) and other staff trustees only receive remuneration in respect of services they provide undertaking their roles under contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
Caron Nott, CEO and Accounting Officer	Remuneration	80,000 - 85,000	75,000 - 80,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Claire Delahay	Remuneration	45,000 - 50,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2022, no trustee expenses have been incurred (2021 - £NIL).

**12. Trustees' and Officers' insurance**

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

**13. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2021	2,500,000	56,348	100,371	2,656,719
Additions	-	16,989	36,936	53,925
At 31 August 2022	2,500,000	73,337	137,307	2,710,644
<b>Depreciation</b>				
At 1 September 2021	78,200	40,300	80,873	199,373
Charge for the year	18,400	9,955	15,392	43,747
At 31 August 2022	96,600	50,255	96,265	243,120
<b>Net book value</b>				
At 31 August 2022	2,403,400	23,082	41,042	2,467,524
At 31 August 2021	2,421,800	16,048	19,498	2,457,346

Included in long-term leasehold property is land that has a value of £200,000 (2021 - £200,000) which is not depreciated.

**The Inspiring Change Multi-Academy Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**14. Debtors**

	2022 £	2021 £
Trade debtors	6,914	154,528
Other debtors	7,823	3,839
Prepayments and accrued income	7,004	26,398
	<u>21,741</u>	<u>184,765</u>

**15. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	4,039	1,713
Other taxation and social security	-	2,112
Other creditors	3,059	3,179
Accruals and deferred income	69,456	27,448
	<u>76,554</u>	<u>34,452</u>

At the balance sheet date the academy trust was holding funds of £24,925 received in advance for Local Authority grant funding for the 2022/23 academic year.



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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**16. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General fund	199,763	44,584	-	-	-	244,347
<b>Restricted general funds</b>						
General Annual Grant (GAG)	112,774	650,000	(525,936)	(47,292)	-	189,546
Other DfE/ESFA grants	-	95,019	(95,019)	-	-	-
Other government grants	-	1,361,023	(1,361,023)	-	-	-
Other restricted	3,404	15,662	(19,066)	-	-	-
Other DfE/ESFA COVID-19 funding	-	27,585	(27,585)	-	-	-
Pension reserve	(1,076,000)	-	(186,000)	-	1,122,000	(140,000)
	(959,822)	2,149,289	(2,214,629)	(47,292)	1,122,000	49,546
<b>Restricted fixed asset funds</b>						
Fixed assets	2,457,346	-	(43,747)	53,925	-	2,467,524
DfE/ESFA capital grants	-	6,633	-	(6,633)	-	-
	2,457,346	6,633	(43,747)	47,292	-	2,467,524
<b>Total Restricted funds</b>	1,497,524	2,155,922	(2,258,376)	-	-	1,122,000
<b>Total funds</b>	1,697,287	2,200,506	(2,258,376)	-	-	1,122,000

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

General Annual Grant ("GAG") must be used for the normal running costs of the academy trust.

The other DfE/ESFA grants is used to track non-GAG grant money received from the DfE/ESFA and connected bodies, and included Pupil Premium income.

The other government grants fund is used to track grants provided by government departments other than the DfE/ESFA and includes grants received from Local Authorities.

The other restricted fund includes the income and related expenditure for the Youth Endowment Fund grant.

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**16. Statement of funds (continued)**

Other Covid funding is mass testing grants and workforce funds, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme.

The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward. The balance carried forward comprises the net book value of fixed assets and any unspent capital income.

The net transfer to the restricted fixed asset fund of £47,292 comprises total capital expenditure met from revenue reserves.

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

**16. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General fund	181,526	18,237	-	-	-	199,763
<b>Restricted general funds</b>						
General Annual Grant (GAG)	165,854	650,000	(691,408)	(11,672)	-	112,774
Other DfE/ESFA grants	-	44,873	(44,873)	-	-	-
Other government grants	-	967,791	(967,791)	-	-	-
Other restricted	10,636	30,602	(37,834)	-	-	3,404
Catch-up premium	-	15,600	(15,600)	-	-	-
Other DfE/ESFA COVID-19 funding	-	35,410	(35,410)	-	-	-
Pension reserve	(792,000)	-	(119,000)	-	(165,000)	(1,076,000)
	<u>(615,510)</u>	<u>1,744,276</u>	<u>(1,911,916)</u>	<u>(11,672)</u>	<u>(165,000)</u>	<u>(959,822)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	2,479,952	3,000	(44,062)	18,456	-	2,457,346
DfE/ESFA capital grants	25	6,759	-	(6,784)	-	-
	<u>2,479,977</u>	<u>9,759</u>	<u>(44,062)</u>	<u>11,672</u>	<u>-</u>	<u>2,457,346</u>
<b>Total Restricted funds</b>	<u>1,864,467</u>	<u>1,754,035</u>	<u>(1,955,978)</u>	<u>-</u>	<u>(165,000)</u>	<u>1,497,524</u>
<b>Total funds</b>	<u>2,045,993</u>	<u>1,772,272</u>	<u>(1,955,978)</u>	<u>-</u>	<u>(165,000)</u>	<u>1,697,287</u>

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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	-	2,467,524	2,467,524
Current assets	244,347	266,100	-	510,447
Creditors due within one year	-	(76,554)	-	(76,554)
Provisions for liabilities and charges	-	(140,000)	-	(140,000)
<b>Total</b>	<b>244,347</b>	<b>49,546</b>	<b>2,467,524</b>	<b>2,761,417</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	-	-	2,457,346	2,457,346
Current assets	199,763	150,630	-	350,393
Creditors due within one year	-	(34,452)	-	(34,452)
Provisions for liabilities and charges	-	(1,076,000)	-	(1,076,000)
<b>Total</b>	<b>199,763</b>	<b>(959,822)</b>	<b>2,457,346</b>	<b>1,697,287</b>

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**18. Reconciliation of net expenditure to net cash flow from operating activities**

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(57,870)	(183,706)
<b>Adjustments for:</b>		
Depreciation	43,747	44,062
Capital grants from DfE and other capital income	(6,633)	(6,759)
Interest receivable	(49)	(45)
Defined benefit pension scheme cost less contributions payable	169,000	106,000
Defined benefit pension scheme finance cost	17,000	13,000
(Increase)/decrease in debtors	163,024	(98,489)
Increase in creditors	42,102	15,989
<b>Net cash provided by/(used in) operating activities</b>	<b>370,321</b>	<b>(109,948)</b>

**19. Cash flows from investing activities**

	2022 £	2021 £
Dividends, interest and rents from investments	49	45
Purchase of tangible fixed assets	(53,925)	(21,456)
Capital grants from DfE Group	6,633	6,759
<b>Net cash used in investing activities</b>	<b>(47,243)</b>	<b>(14,652)</b>

**20. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	486,451	163,373

**21. Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	163,373	323,078	486,451

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**22. Pension commitments**

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 Kent County Council. Both are multi-employer defined benefit schemes.

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

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £187,000 (2021 - £176,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £118,000 (2021 - £96,000), of which employer's contributions totalled £92,000 (2021 - £73,000) and employees' contributions totalled £26,000 (2021 - £23,000). The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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**22. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.90	3.85
Rate of increase for pensions in payment/inflation	2.90	2.85
Discount rate for scheme liabilities	4.20	1.70
Inflation assumption (CPI)	2.90	2.85

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

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

**Sensitivity analysis**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	(33)	(58)
Discount rate -0.1%	34	60
Mortality assumption - 1 year increase	33	79
Mortality assumption - 1 year decrease	(32)	(76)
CPI rate +0.1%	32	54
CPI rate -0.1%	(31)	(52)

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**22. Pension commitments (continued)**

**Share of scheme assets**

The academy trust's share of the assets in the scheme was:

	<b>At 31 August 2022</b>	<i>At 31 August 2021</i>
	<b>£</b>	<b>£</b>
Equities	672,000	624,000
Gilts	6,000	5,000
Corporate bonds	135,000	132,000
Property	120,000	98,000
Cash and other liquid assets	17,000	27,000
Other	74,000	66,000
<b>Total market value of assets</b>	<b>1,024,000</b>	<b>952,000</b>

The actual return on scheme assets was £(12,000) (2021 - £113,000).

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

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Current service cost	(260,000)	(178,000)
Interest income	17,000	13,000
Interest cost	(34,000)	(26,000)
Administrative expenses	(1,000)	(1,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(278,000)</b>	<b>(192,000)</b>

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

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	<b>2,028,000</b>	<b>1,541,000</b>
Current service cost	260,000	178,000
Interest cost	34,000	26,000
Employee contributions	26,000	23,000
Actuarial (gains)/losses	(1,151,000)	265,000
Benefits paid	(33,000)	(5,000)
<b>At 31 August</b>	<b>1,164,000</b>	<b>2,028,000</b>



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**22. Pension commitments (continued)**

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	952,000	749,000
Interest income	17,000	13,000
Actuarial (losses)/gains	(29,000)	100,000
Employer contributions	92,000	73,000
Employee contributions	26,000	23,000
Benefits paid	(33,000)	(5,000)
Administration expenses	(1,000)	(1,000)
<b>At 31 August</b>	<b>1,024,000</b>	<b>952,000</b>

**23. Operating lease commitments**

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	14,744	6,702
Later than 1 year and not later than 5 years	8,885	180
	<b>23,629</b>	<b>6,882</b>

**24. Members' liability**

Each member of the academy trust undertakes to contribute to the assets of the company in the event of it being wound up while 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. Controlling party**

The academy trust is run by the senior management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

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**Notes to the financial statements**  
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**26. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the year:

**Expenditure related party transactions**

Inspiring Change Multi-Academy Trust (ICMAT) has leased premises at Miers Court Primary School (part of The Howard Academy Trust) for the Primary School support service since 1 September 2021. They are a related party by virtue of the Executive Head of ICMAT, Caron Nott, also being a Trustee of The Howard Academy Trust. ICMAT paid £12,252 for the lease of the property during the year (2021 - £Nil). No amounts were outstanding as at 31 August 2022.

