

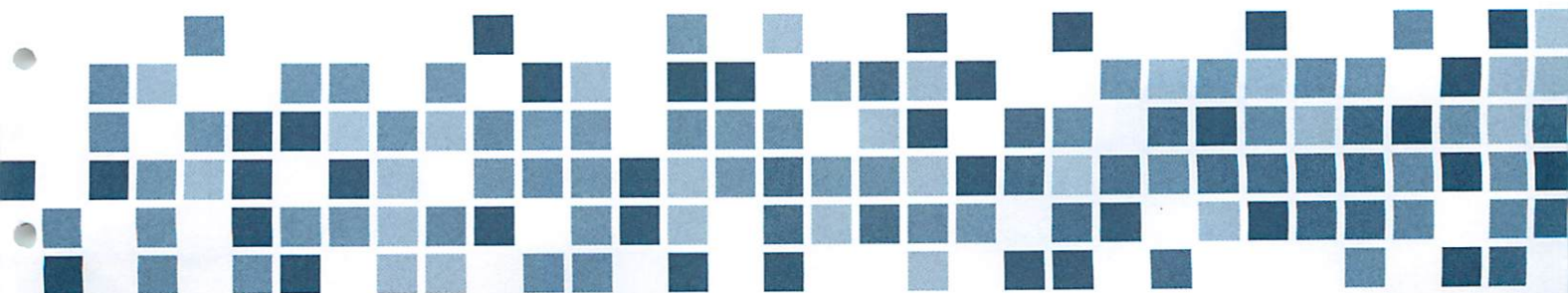
Registered number: 08358124 (England and Wales)

INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

STREETS[®]
CHARTERED ACCOUNTANTS



INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	S Westaway M Standbrook B Brickles
Trustees	S Westaway, Chair of Trustees D Bruce A Clarke, Head Teacher T Cockram, Head Teacher and Accounting Officer P Corke M Standbrook J Vickers K Woods (resigned 20 September 2017)
Company registered number	08358124
Company name	Infinity Academies Trust Ltd
Principal and registered office	Gipsey Bridge Academy Leagate Road Gipsey Bridge Boston Lincolnshire PE22 7BP
Senior management team	T Cockram, Head Teacher - Gipsey Bridge Academy A Clarke, Head Teacher- Spilsby Primary Academy N Bremner, Deputy Head Teacher- Spilsby Primary Academy J Coney, Chief Finance Officer S Weaver, School Business Manager- Spilsby Primary Academy
Independent auditor	Streets Audit LLP Chartered Accountants and Statutory Auditor Tower House Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Lloyds Bank Plc 60 Market Street Eckington Sheffield S21 4JH
Solicitors	Duncan Pickering 4 Southfields Bourne PE10 9TZ

INFINITY ACADEMIES TRUST LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operated 2 primary academies in east England, Spilsby Primary Academy and Gipsey Bridge Academy. Its two current academies have a combined pupil capacity of 315 and had a roll of 292 in the school census on 6th October 2016 and 305 on 6th October 2017.

Structure, governance and management

Constitution

The Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association is the primary governing document of the academy trust.

Details of the Trustees who served during the year are included in the reference and administrative details on page 1.

The Trust was incorporated on 14 January 2013. The trustees of Infinity Academies Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Infinity Academies Trust Ltd (up until 23 November 2015 the Trust was previously known as ISIS Academies Trust Ltd).

Members' Liability

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

Trustees' Indemnities

The Trust has granted an indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision has a limit of £1,000,000.

Method of Recruitment and Appointment or Election of Trustees

The articles of association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust. The trust may have up to 18 trustees which should include at least 2 parent trustees.

The articles of association require that the Members of the Academy Trust shall comprise:

- a) the signatories to the Memorandum
- b) one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- c) the Chairman of the Governors

The Board of Trustees may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

No additional trustees were appointed nor made by the Secretary of State in the year.

INFINITY ACADEMIES TRUST LTD
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are provided with a comprehensive induction pack containing information on the following:

- Structure of the Trust
- Induction
- Trustee/Governor Profile and Skills Audit
- Allowances
- Code of Practice
- Terms of Reference for Finance, Resource & Audit Committee
- Terms of Reference for Curriculum and Standards Committee
- Terms of Reference for Sub-Committees
- Terms of Reference for Local Governing Board and Local Advisory Board

They are invited into School to meet with the Headteacher and Chair. Annual skills audits are completed and training sourced as appropriate to fill any shortfall in competency.

Organisational Structure

The constitution of the board of trustees is set out in the articles of association. The chair is elected bi annually. Trustees work collectively to assure the strategic intentions of the Multi Academy Trust. The Trustees appoint Headteachers to take responsibility for the day to day management of the constituent academies and designate an Accounting officer.

The Trust has the following committees and governing bodies in place:

Board of Trustees:

S Westaway
J Vickers
P Corke
T Cockram
A Clarke
M Standbrook
D Bruce
K Woods (until 20/09/17)

Local Governing Board of Gipsey Bridge Academy:

T Cockram
S Munden
J Coney
K Kirk (from 04/07/2016)
R Mason (from 04/07/2016)
H Gatens (from 04/07/2016)
R Martin (from 27/03/2017)
K Simonds (from 27/03/2017)
R Patchett (until 01/11/16)

Local Governing Board of Spilsby Academy

M Standbrook
A Clarke
D Bruce
N Bremner
Z Clemence (from 29/3/17 until 28/06/17)
G Kedzior (from 29/03/2017)
M Aicken (from 29/03/2017)
M Clark (from 29/03/2017)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Arrangements for setting pay and remuneration of key management personnel

The Trust Finance Officer's pay is determined against the LCC pay and conditions and using Performance Management.

The Headteachers' pay is in accordance with the pay and conditions document and the performance management is in accordance with government legislation.

Related Parties and other Connected Charities and Organisations

The Trust works closely with a number of Learning Partner schools and an up to date list can be found on the Infinity Academies Trust Website.

Objectives and Activities

Objects and Aims

The Trust's principal object is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The aim of the Trust is to provide a quality education in a caring and disciplined community:

- By maintaining the Trust's reputation for excellent examination results
- By allowing pupils of all abilities to attain their full potential and develop their own special qualities
- By offering a wide range of extracurricular activities and sports
- By maintaining the high standards and expectations of the Trust
- By developing a positive attitude towards equal opportunities for all, regardless of sex, religion or personal difficulties
- By expecting pupils to value all members of the Trust's community and its environment
- By allowing pupils to acquire attitudes and skills which enable them to give purposes to their lives and to make a contribution to the wider community

Objectives, Strategies and Activities

The main objectives, strategies and activities of Trust are summarised below:

- To ensure that every pupil enjoys the same high-quality education in terms of resourcing, tuition and care. The Trust carries out regular reviews of its academies to ensure the quality of Teaching & Learning. These focus on key areas to ensure that all pupils at its academies receive the best possible outcomes.
- To raise the standard of educational achievement of all pupils. The Trust uses performance data to compare the performance of its academies against national benchmarks. Key strategic plans are in place within the academies to raise standards in any areas identified for improvement.
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review. The Trust carries out regular reviews of its academies to ensure the quality of Teaching & Learning and carries out action research projects to ensure that the curriculum is new and innovative and meeting the needs of its pupils.
- To provide value for money for the funds expected. The Trust has clear financial procedures in place to ensure the monies are well spent and that best value is sought at all times. The Trustees regularly review financial statements from the academies and agree future priorities.
- To comply with all appropriate statutory and curriculum requirements. The academies publish their curriculum online as require by the DfE alongside statutory policies. Trustees review these policies at regular intervals.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- To maintain close links with industry and commerce. The Trust is constantly looking to build links with local businesses and the academies seek to raise children's aspirations through enterprise projects.
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness. The Trust uses a variety of control measures including both internal and external auditors.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. Given the activities of the Trust and the student population that it services, the Trustees consider that the Trust's aims are demonstrably to the public benefit.

Achievements and performance

Key Performance Indicators

The Trust uses the following performance indicators:

- Ofsted Reports.
- Trust Reviews linked to Teaching & Learning, Safeguarding, Finance.
- Feedback from External Education Consultants.
- Key Stage and Year groups achievement and attainment results.
- Pupil Numbers.
- Feedback from Parental Questionnaires including ParentView.
- Pupil Interviews.
- Reporting to the Local Governing Body.
- The budget is not in deficit.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial review

Reserves Policy

Subject to EFA's constraints on permitted balances, the Trust's policy is to carry forward a prudent level of resources. At the 31 August 2017 the Trust had £306,119 (2016: £255,580) in reserves, excluding fixed asset and pension funds. The total funds carried forward at 31 August 2017 were £2,188,600 (2016: £1,974,545). In the year ended 31 August 2017 the trust made an overall deficit of £80,945 (2016: a surplus of £904,295), excluding actuarial gains or losses on pension liabilities.

The policy of the academy is to maintain a level of reserves equal to or greater than the estimated running costs of the trust for a period of 3 months. This is so that the trust can continue to operate for at least an academic term, at any given point in time. Based on the financial performance of the academy in the year ended 31 August 2017, a reasonable estimate for running costs over a 3 month period would be £194,775. At 31 August 2017 the trust held sufficient reserves to meet such requirements.

Due to anticipated future cuts in funding the reserves held by the trust are reviewed regularly by trustees. The trustees are satisfied that the current reserves policy meets the needs of the trust and that a sufficient level of reserves is maintained.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Investment Policy

The Trust operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on deposit.

Principal Risks and Uncertainties

Information is still awaited on future funding for the Trust beyond the next financial year. The impact of national funding spending cuts and of redirected funding streams into the pupil premium for example, may have an adverse effect on grant funding. The Trustees are fully aware of this and predicted changes have been factored in to future budget forecasts and spending decisions.

Financial Risk Management Objectives and Policies

Sufficient cash is held in reserve to enable the Trust to support any financial issues that it may experience. Review of monthly financial reports enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, it is not considered to impact the Trust on the basis that this is not an immediately crystalizing liability. .

Plans for future periods

The Trustees intend to grow the MAT, but to proceed with this we need to obtain funding and therefore are in the process of applying for the MAT Development & Improvement Fund (MDIF) grant.

The Infinity Trust plans to add four new schools/academies to the trust in the next financial year (18/19), assisting with conversion if required. The following financial year it is intended to take on two more schools/academies. Key to this is obtaining some funding (MDIF grant). Each new member of the MAT will contribute to the Trust fund with a percentage of their GAG to allow for costs to be covered and support to be delivered. As a minimum, this will be 2% to cover running costs, with an additional payment for expected support to be determined at the point of joining Infinity.

Sufficient cash is held in reserve to enable to Trust to support any financial issues that it may experience.

Review of monthly financial reports enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, and each Academy now expected to make an annual lump sum contribution, it is not considered to impact on the Trust.

Information is still awaited on future funding for the Trust from 2017/18 onwards. The impact of national funding spending cuts and of redirected funding streams into the pupil premium for example, may have an adverse effect on grant funding. The Trustees are fully aware of this and predicted changes have been factored in to future budget forecasts and spending decisions.

Funds Held as Custodian Trustee on Behalf of Others

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2017 and signed on its behalf by:



S Westaway
Chair of Trustees

INFINITY ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Infinity Academies Trust Ltd 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 Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Infinity Academies Trust Ltd 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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Westaway, Chair of Trustees	7	7
D Bruce	4	7
A Clarke, Head Teacher	7	7
T Cockram, Head Teacher and Accounting Officer	7	7
P Corke	7	7
M Standbrook	6	7
J Vickers	6	7
K Woods	3	7

The Local Governing Body of Splisby Academy is a sub-committee of the main board of Trustees. Its purpose is to govern the operational aspects of the academy, monitor and implement operational functions and to report to the main board of Trustees.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Standbrook	3	3
A Clarke (Head Teacher)	2	3
N Bremner	0	3
G Kedzior	3	3
M Aicken	3	3
M Clark	3	3
Z Clemence	0	2

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GOVERNANCE STATEMENT (continued)

The Local Governing Body of Gipsey Bridge Academy is also a sub-committee of the main board of Trustees. Its purpose is to govern the operational aspects of the academy, monitor and implement operational functions and to report to the main board of Trustees.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
K Kirk	4	5
T Cockram (Head Teacher)	5	5
H Gatens	5	5
J Coney	5	5
R Martin	2	2
K Simonds	2	3
R Mason	4	5
S Munden	5	5
R Patchett	1	1

There are three Members of Infinity, one independent along with S Westaway and M Standbrook who are also Trustees. As the Trust grows these 2 positions will be stand-alone from the Trustees.

The main challenge for the board is filling positions without personnel filling multiple positions, however this will change as the Trust grows.

Review of Value for Money

As Accounting officer, the Head Teacher has responsibility for ensuring that the 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 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. The Accounting officer for the Trust has delivered improved value for money during the year by:

- careful scrutiny of the budgets provided for review.
- ensuring that the procurement process has been complied with across the trust.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Infinity Academies Trust Ltd for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Lincolnshire County Council as internal auditor.

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

- testing of payroll/purchase systems
- testing of control account/bank reconciliations

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During the year the Trust's Chief Financial Officer has liaised with the School Business Manager at Spilsby Academy to offer advice and support. Due to a number of control weaknesses being identified the trust has also employed the external accountants to offer an additional level of scrutiny. Improvements in the processes at Spilsby Academy have been identified.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 on 11 December 2017 and signed on its behalf, by:



S Westaway
Chair of Trustees



T Cockram
Headteacher and accounting officer

INFINITY ACADEMIES TRUST LTD
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Infinity Academies Trust Ltd I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



T Cockram
Headteacher and accounting officer

Date: 11/12/2017

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2017 and signed on its behalf by:



S Westaway
Chair of Trustees

INFINITY ACADEMIES TRUST LTD
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD**

OPINION

We have audited the financial statements of Infinity Academies Trust Ltd (the 'Trust') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the 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 Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Scope of the Audit of the Financial Statements

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

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

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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD**

Respective Responsibilities of Trustees and Auditor

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report has 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 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Opinion on Financial Statements

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

INFINITY ACADEMIES TRUST LTD
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD**

basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Linda Lord (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants and Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Date: 11 December 2017

INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INFINITY
ACADEMIES TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 April 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Infinity Academies Trust Ltd during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF INFINITY ACADEMIES TRUST LTD'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Infinity Academies Trust Ltd's funding agreement with the Secretary of State for Education dated 1 February 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INFINITY
ACADEMIES TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes:

- A review of the academy's systems and controls and confirmation of the operation and effectiveness during the year;
- A review of expenditure to confirm the appropriateness and value of money; and
- A review of connected party arrangements, transactions and balances.

CONCLUSION

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



Linda Lord

Streets Audit LLP

Chartered Accountants and Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Date: 11 December 2017

INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	-	-	-	-	2,313,235
Other donations and capital grants	2	-	19,843	11,161	31,004	53,094
Charitable activities	4	63,598	1,345,794	34,358	1,443,750	2,141,372
Investments	3	214	-	-	214	476
TOTAL INCOME		<u>63,812</u>	<u>1,365,637</u>	<u>45,519</u>	<u>1,474,968</u>	<u>4,508,177</u>
EXPENDITURE ON:						
Charitable activities		39,909	1,417,001	99,003	1,555,913	2,182,182
TOTAL EXPENDITURE	5	<u>39,909</u>	<u>1,417,001</u>	<u>99,003</u>	<u>1,555,913</u>	<u>2,182,182</u>
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT LOSSES		23,903	(51,364)	(53,484)	(80,945)	2,325,995
Transfer from trust		-	-	-	-	(1,421,700)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		23,903	(51,364)	(53,484)	(80,945)	904,295
Actuarial gains/(losses) on defined benefit pension schemes	19	-	295,000	-	295,000	(540,000)
NET MOVEMENT IN FUNDS		23,903	243,636	(53,484)	214,055	364,295
RECONCILIATION OF FUNDS:						
Total funds brought forward		142,119	(980,539)	2,812,965	1,974,545	1,610,250
TOTAL FUNDS CARRIED FORWARD		<u>166,022</u>	<u>(736,903)</u>	<u>2,759,481</u>	<u>2,188,600</u>	<u>1,974,545</u>

INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 08358124

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		2,747,022		2,812,965
CURRENT ASSETS					
Debtors	12	52,531		112,713	
Cash at bank and in hand		352,901		270,688	
		<u>405,432</u>		<u>383,401</u>	
CREDITORS: amounts falling due within one year	13	<u>(86,854)</u>		<u>(127,821)</u>	
NET CURRENT ASSETS			<u>318,578</u>		<u>255,580</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,065,600</u>		<u>3,068,545</u>
Defined benefit pension scheme liability	19		<u>(877,000)</u>		<u>(1,094,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>2,188,600</u></u>		<u><u>1,974,545</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	14	140,097		113,461	
Restricted fixed asset funds	14	2,759,481		2,812,965	
Restricted income funds excluding pension liability		<u>2,899,578</u>		<u>2,926,426</u>	
Pension reserve		<u>(877,000)</u>		<u>(1,094,000)</u>	
Total restricted income funds			<u>2,022,578</u>		<u>1,832,426</u>
Unrestricted income funds	14		<u>166,022</u>		<u>142,119</u>
TOTAL FUNDS			<u><u>2,188,600</u></u>		<u><u>1,974,545</u></u>

The financial statements on pages 18 to 42 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:



**T Cockram, Head Teacher
Trustee**

INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	16	<u>75,955</u>	<u>(94,666)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		(214)	(476)
Purchase of tangible fixed assets		(4,689)	(37,703)
Capital grants from DfE/ESFA		11,161	11,499
Net cash provided by/(used in) investing activities		<u>6,258</u>	<u>(26,680)</u>
Change in cash and cash equivalents in the year		82,213	(121,346)
Cash and cash equivalents brought forward		<u>270,688</u>	<u>392,034</u>
Cash and cash equivalents carried forward	17	<u><u>352,901</u></u>	<u><u>270,688</u></u>

INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Infinity Academies Trust Ltd constitutes a public benefit entity as defined by FRS 102.

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 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.

INFINITY ACADEMIES TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	50 years straight line
Fixtures, Fittings & Equipment	-	3 years straight line

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

1.6 Debtors

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

1.7 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.

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

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

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 Department for Education 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 and include grants from the Education and Skills Funding Agency.

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. 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 instruments.

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer on conversion	-	-	-	-	2,313,235
Donations	-	19,843	-	19,843	41,595
Capital Grants	-	-	11,161	11,161	11,499
Subtotal	-	19,843	11,161	31,004	53,094
	-	19,843	11,161	31,004	2,366,329
<i>Total 2016</i>	62,235	(507,405)	2,811,499	2,366,329	

3. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank Interest	214	-	214	476
<i>Total 2016</i>	476	-	476	

INFINITY ACADEMIES TRUST LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,167,096	1,167,096	1,703,106
Other DfE Grants	-	176,331	176,331	240,663
	-	1,343,427	1,343,427	1,943,769
Other government grants				
Local Authority Grants	-	36,525	36,525	93,029
	-	36,525	36,525	93,029
Other funding				
Other income	63,598	200	63,798	104,574
	63,598	200	63,798	104,574
	63,598	1,380,152	1,443,750	2,141,372
<i>Total 2016</i>	89,830	2,051,542	2,141,372	

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Direct costs	862,506	-	84,559	947,065	1,417,153
Support costs	259,779	89,999	259,070	608,848	765,029
	1,122,285	89,999	343,629	1,555,913	2,182,182
<i>Total 2016</i>	1,526,369	62,506	593,307	2,182,182	

INFINITY ACADEMIES TRUST LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. CHARITABLE ACTIVITIES

	Total funds 2017 £	Total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	687,729	1,061,998
National insurance	57,420	60,245
Pension cost	117,357	170,653
Educational Supplies	59,220	91,766
Educational Consultancy and Visits	25,339	32,491
	<u>947,065</u>	<u>1,417,153</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	162,667	174,078
National insurance	5,896	5,781
Pension cost	91,216	53,614
Depreciation	70,632	81,000
Pension finance cost	23,000	21,000
Repairs and maintenance	45,632	25,423
Cleaning	8,339	36,447
Utilities	20,746	32,197
Rates	12,601	10,912
Rent	2,681	19,398
Office cost	2,197	9,411
Insurance	14,744	49,419
Bad debt write off	4,366	-
Licences & Subscriptions	12,051	21,021
Recruitment	115	2,174
Catering	65,263	92,987
Legal & professional	9,049	45,038
Photocopier costs	13,232	6,169
ICT costs	3,496	20,665
Other support costs	12,047	24,759
Bank charges	96	570
Staff training	10,260	12,105
Governance	18,522	20,861
	<u>608,848</u>	<u>765,029</u>
	<u><u>1,555,913</u></u>	<u><u>2,182,182</u></u>

7. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £12,000 (2016 - £8,250), and other accountancy fees of £4,500 (2016 - £3,375).

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	838,783	1,080,432
Social security costs	63,316	66,026
Operating costs of defined benefit pension schemes	208,573	224,267
	<u>1,110,672</u>	<u>1,370,725</u>
Supply teacher costs	11,613	155,644
	<u>1,122,285</u>	<u>1,526,369</u>

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

	2017 No.	2016 No.
Teaching Staff	13	18
Administration and Support Staff	37	29
Management	2	2
	<u>52</u>	<u>49</u>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	0	1

The key management personnel of the charity comprise the trustees and the senior management team (including the school business manager) as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel-5 (2016: 8) for their services to the academy trust was £239,377 (2016: £268,104).

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £	2016 £
W Wheldon (Headteacher - Greengate Lane Academy)	Remuneration		75,000-80,000
	Pension contributions paid		10,000-15,000
G Booth (Headteacher - Gipse y Bridge Academy)	Remuneration		30,000-35,000
	Pension contributions paid		5,000-10,000
A Clarke (Headteacher -Splisby Primary Academy)	Remuneration	55,000-60,000	15,000-20,000
	Pension contributions paid	5,000-10,000	0-5,000
T Cockram (Headteacher - Gipse y Bridge Academy)	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £3,568 (2016 - £1,051) were reimbursed to 4 Trustees (2016 - 5).

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £750 (2016 - £750).

INFINITY ACADEMIES TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Fixtures, Fittings & Equipment £	Total £
Cost or valuation			
At 1 September 2016	2,800,000	84,498	2,884,498
Additions	-	4,689	4,689
Disposals	-	(10,269)	(10,269)
At 31 August 2017	<u>2,800,000</u>	<u>78,918</u>	<u>2,878,918</u>
Depreciation			
At 1 September 2016	23,333	48,200	71,533
Charge for the year	56,000	14,632	70,632
On disposals	-	(10,269)	(10,269)
At 31 August 2017	<u>79,333</u>	<u>52,563</u>	<u>131,896</u>
Net book value			
At 31 August 2017	<u>2,720,667</u>	<u>26,355</u>	<u>2,747,022</u>
At 31 August 2016	<u>2,776,667</u>	<u>36,298</u>	<u>2,812,965</u>

The land and buildings at the Gipsey Bridge site from which the Academy operates are owned by the Lincoln Diocesan Trust and Board of Finance Limited and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academy and, consequently, the value of these assets has not been recognised in the financial statements.

Spilsby Primary converted to academy status on 1 April 2016. The assets of the school were not subject to a formal valuation on conversion. An appropriate percentage of the insurance valuation, as determined by the trustees of the academy, has been included in fixed assets and will be depreciated in line with the lease of the property.

12. DEBTORS

	2017 £	2016 £
Trade debtors	-	340
Spilsby balance of conversion	-	62,235
VAT debtor	10,887	14,691
Other debtors	-	4,474
Prepayments and accrued income	41,644	30,973
	<u>52,531</u>	<u>112,713</u>

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13. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	17,002	36,053
Other taxation and social security	27,179	31,512
Accruals and deferred income	42,673	60,256
	<u>86,854</u>	<u>127,821</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September	21,032	21,624
Income received in advance	20,394	21,032
Amounts released from previous years	(21,032)	(21,624)
Deferred income at 31 August	<u>20,394</u>	<u>21,032</u>

At the year-end, the academies had received funding in advance in respect of UIFSM.

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14. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	142,119	63,812	(39,909)	-	-	166,022
Restricted funds						
General Annual Grant (GAG)	89,741	1,160,594	(1,137,020)	-	-	113,315
Other DfE/EFA Grants	23,720	161,691	(164,502)	-	-	20,909
Government grants	-	23,309	(23,309)	-	-	-
Other income	-	20,043	(14,170)	-	-	5,873
Pension reserve	(1,094,000)	-	(78,000)	-	295,000	(877,000)
	<u>(980,539)</u>	<u>1,365,637</u>	<u>(1,417,001)</u>	<u>-</u>	<u>295,000</u>	<u>(736,903)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	2,812,965	-	(70,632)	4,699	-	2,747,032
Devolved Formula Capital Grants	-	45,519	(28,371)	(4,699)	-	12,449
	<u>2,812,965</u>	<u>45,519</u>	<u>(99,003)</u>	<u>-</u>	<u>-</u>	<u>2,759,481</u>
Total restricted funds	<u>1,832,426</u>	<u>1,411,156</u>	<u>(1,516,004)</u>	<u>-</u>	<u>295,000</u>	<u>2,022,578</u>
Total of funds	<u>1,974,545</u>	<u>1,474,968</u>	<u>(1,555,913)</u>	<u>-</u>	<u>295,000</u>	<u>2,188,600</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	121,451	153,079	(53,748)	1,000	(79,663)	142,119
	<u>121,451</u>	<u>153,079</u>	<u>(53,748)</u>	<u>1,000</u>	<u>(79,663)</u>	<u>142,119</u>

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14. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	208,176	1,703,107	(1,649,010)	(1,933)	(170,599)	89,741
Other DfE/EFA Grants	23,130	240,663	(230,845)	-	(9,228)	23,720
Government grants	-	93,029	(93,029)	-	-	-
Other income	5,143	55,800	(38,543)	(22,400)	-	-
Pension reserve	(359,000)	(549,000)	(36,000)	-	(150,000)	(1,094,000)
	<u>(122,551)</u>	<u>1,543,599</u>	<u>(2,047,427)</u>	<u>(24,333)</u>	<u>(329,827)</u>	<u>(980,539)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	1,606,199	2,800,000	(81,000)	37,703	(1,549,937)	2,812,965
Devolved Formula Capital Grants	5,144	11,499	-	(14,370)	(2,273)	-
	<u>1,611,343</u>	<u>2,811,499</u>	<u>(81,000)</u>	<u>23,333</u>	<u>(1,552,210)</u>	<u>2,812,965</u>
Total restricted funds	<u>1,488,792</u>	<u>4,355,098</u>	<u>(2,128,427)</u>	<u>(1,000)</u>	<u>(1,882,037)</u>	<u>1,832,426</u>
Total of funds	<u>1,610,243</u>	<u>4,508,177</u>	<u>(2,182,175)</u>	<u>-</u>	<u>(1,961,700)</u>	<u>1,974,545</u>

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

Unrestricted funds:

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the trustees. These are not currently designated for particular purposes.

Restricted funds:

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

Other EFA Income is made up of grants for insurance costs and rates relief. It includes Pupil Premium, which may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. In addition, other EFA income includes Universal Free School Meals income which must be used to provide all pupils in reception, year 1 and year 2 with a free school lunch.

Other Government Grants are received to help make special educational provision to meet children's Special Educational Needs and in respect of the nursery at the Greengate Lane site.

The **Pension Reserve** represents the current deficit balance of the pension scheme.

The **Restricted Fixed Asset Fund** represents the net book value of fixed assets held by the academy.

Other income comprises restricted donations and consultancy income from a variety of sources.

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14. STATEMENT OF FUNDS (continued)

Devolved Formula Capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Gipsey Bridge Academy	190,921	162,583
Spilsby Primary Academy	118,366	98,344
Central Services	(3,168)	(5,347)
	<u>306,119</u>	<u>255,580</u>
Total before fixed asset fund and pension reserve		
Restricted fixed asset fund	2,759,481	2,812,965
Pension reserve	(877,000)	(1,094,000)
	<u>2,188,600</u>	<u>1,974,545</u>
Total		

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Gipsey Bridge Academy	277,553	88,337	26,630	80,750	473,270	525,779
Greengate Lane Academy	-	-	-	-	-	1,179,303
Spilsby Primary Academy	607,952	170,742	32,192	177,464	988,350	386,576
Central costs	-	700	401	22,567	23,668	22,950
	<u>885,505</u>	<u>259,779</u>	<u>59,223</u>	<u>280,781</u>	<u>1,485,288</u>	<u>2,114,608</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,747,022	2,747,022
Current assets	252,876	140,097	12,459	405,432
Creditors due within one year	(86,854)	-	-	(86,854)
Provisions for liabilities and charges	-	(877,000)	-	(877,000)
	<u>166,022</u>	<u>(736,903)</u>	<u>2,759,481</u>	<u>2,188,600</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	2,812,965	2,812,965
Current assets	142,119	241,282	-	383,401
Creditors due within one year	-	(127,821)	-	(127,821)
Provisions for liabilities and charges	-	(1,094,000)	-	(1,094,000)
	<u>142,119</u>	<u>(980,539)</u>	<u>2,812,965</u>	<u>1,974,545</u>

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(80,945)	904,295
Adjustment for:		
Depreciation charges	70,632	81,000
Gains on investments	214	476
Decrease/(increase) in debtors	60,182	(21,320)
(Decrease)/increase in creditors	(40,967)	7,445
Capital grants from DfE and other capital income	(11,161)	(11,499)
Defined benefit pension scheme cost less contributions payable	78,000	15,000
Net gain on assets and liabilities from local authority on conversion	-	21,000
Net (loss) on assets and liabilities from local authority on conversion	-	(2,251,000)
Net loss on assets and liabilities on academy leaving trust	-	1,159,937
Net cash provided by/(used in) operating activities	<u>75,955</u>	<u>(94,666)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	352,901	270,688
Total	352,901	270,688

18. CAPITAL COMMITMENTS

At 31 August 2017 the Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	3,667
	-	3,667

19. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County Council and South Yorkshire Pensions. Both are defined benefit pension schemes.

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

Contributions amounting to £11,443 were payable to the schemes at 31 August 2017 (2016 - 8,037) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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19. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £61,000 (2016 - £117,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Schemes

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £115,000 (2016 - £57,000), of which employer's contributions totalled £93,000 (2016 - £38,000) and employees' contributions totalled £22,000 (2016 - £19,000). The agreed contribution rates for future years are 18.5% for employers and a maximum of 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	2.80 %	3.60 %
Rate of increase for pensions in payment / inflation	2.50 %	2.10 %

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19. PENSION COMMITMENTS (continued)

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.4	24.2
Retiring in 20 years		
Males	24.1	24.5
Females	26.6	26.8

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate -0.5%	198,000	206,000
Salary increase rate +0.5%	62,000	86,000
Pension increase rate +0.5%	130,000	113,000

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	457,000	304,000
Other	70,000	51,000
Corporate bonds	-	-
Government Bonds	-	-
Property	53,000	39,000
Cash and other liquid assets	6,000	-
Total market value of assets	586,000	394,000

The actual return on scheme assets was £77,000 (2016 - £87,000).

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19. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Current service cost	(148,000)	(88,000)
Interest income	10,000	15,000
Interest cost	(33,000)	(36,000)
	<u>(171,000)</u>	<u>(109,000)</u>
Actual return on scheme assets	<u>77,000</u>	<u>87,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,488,000	651,000
Transferred in on existing academies joining the trust	-	689,000
Current service cost	148,000	88,000
Interest cost	33,000	36,000
Employee contributions	22,000	20,000
Actuarial (gains)/losses	(228,000)	612,000
	<u>1,463,000</u>	<u>1,488,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	394,000	292,000
Upon conversion	-	140,000
Interest income	-	15,000
Actuarial losses	67,000	72,000
Employer contributions	93,000	73,000
Employee contributions	22,000	20,000
Transfer out	-	(218,000)
	<u>576,000</u>	<u>394,000</u>

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20. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	3,579	7,172
Between 1 and 5 years	273	5,251
Total	<u>3,852</u>	<u>12,423</u>

21. CONTINGENT LIABILITIES

In the event of the constituent academies of Infinity Academies Trust ceasing to operate as academies, provisions are included in the funding agreements relating to the clawback of assets and monies paid to the constituent academies.

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

R G Coney, who is related party due to his connection to J Coney undertook repairs for the Trust in the year. The academy spent £1,521 on repairs with R G Coney (2016: £2,025).

23. MEMBERS' LIABILITY

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