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**COMMUNITY INCLUSIVE TRUST**

(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**CONTENTS**

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	Page
<b>Reference and administrative details</b>	1 - 2
<b>Chairman's statement</b>	3 - 4
<b>Trustees' report</b>	5 - 19
<b>Governance statement</b>	20 - 25
<b>Statement on regularity, propriety and compliance</b>	26
<b>Statement of Trustees' responsibilities</b>	27
<b>Independent auditors' report on the financial statements</b>	28 - 31
<b>Independent reporting accountant's report on regularity</b>	32 - 33
<b>Statement of financial activities incorporating income and expenditure account</b>	34 - 35
<b>Balance sheet</b>	36 - 37
<b>Statement of cash flows</b>	38
<b>Notes to the financial statements</b>	39 - 72

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	P Boucher J Jackson (appointed 8 March 2019) G Cook (resigned 8 March 2019) S Paley
<b>Trustees</b>	S Moore (appointed 21 March 2019) P Boucher, Chair (until resignation) (resigned 28 October 2019) G Cook (resigned 8 March 2019) K Goodman K Weekes L McClements S Hopkins, Chair (from 28 October 2019) (appointed 19 March 2019) S Maycock (appointed 19 March 2019) P Jordan (resigned 2 January 2019) P Bell, Chief Executive and Accounting Officer R King (resigned 12 October 2018)
<b>Company registered number</b>	09071623
<b>Company name</b>	Community Inclusive Trust
<b>Principal and registered office</b>	Poplar Farm School Helmsley Road Grantham Lincs NG31 8XF
<b>Company secretary</b>	G Tavener
<b>Chief executive officer</b>	P Bell
<b>Senior leadership team</b>	P Bell, CEO C Buffham, Director of Education (Special Educational Needs) P Hill, Director of Education (Mainstream Primary) M Allbones, Chief Financial Officer G Tavener, Head of Governance D Bland, Executive Headteacher A White, Head of People and Performance
<b>Independent auditors</b>	Streets Audit LLP Windsor House A1 Business Park at Long Bennington Notts NG23 5JR

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**COMMUNITY INCLUSIVE TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Bankers**                   Lloyds Bank PLC  
42 St Peters Hill  
Grantham  
Lincs  
NG31 6QF

**Solicitors**               Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**CHIEF EXECUTIVE OFFICER'S STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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In this report I am delighted to share the progress and successes of Community Inclusive Trust (CIT), as well as some of the challenges we have faced in 2018-2019.

Since the last report we have been delighted to welcome the Phoenix Academy (now Greenfields Academy) to the CIT family, who joined CIT in November 2018. The Trust now consists of four primary schools, seven special schools and a Teaching School, the Lincolnshire Education and Research Network (LEARN). In September 2018 Poplar Farm opened its doors to its first intake of Reception pupils and we have been delighted with the way the new teaching staff have settled into life at Poplar Farm.

CIT also moved its Head Office and Teaching School to the Poplar Farm site. This is a temporary arrangement until the space is required by the school as it grows. The extra space has allowed LEARN Teaching School to offer a wide range of courses, specialising in SEND ranging from Makaton training through to assessment and data analysis.

The Directors of Education in both primary and special educational needs continue to support and drive excellence within CIT schools. Within the primary sector all the schools increased their combined Key Stage 2 scores during the 2019 summer SATs. Four of our special schools have been visited by Ofsted in 2019: Garth and Woodlands maintained their Outstanding grades; Priory received a letter from Ofsted describing the school as a Good Improver and are eagerly awaiting a Section 5 inspection; John Fielding retained their Good grade – this is a significant achievement considering the turbulent journey the school underwent prior to joining CIT. I believe the high standards and continued improvement in CIT's schools and the outcomes for pupils is underpinned by the amazing dedication demonstrated by all its staff, as well as CIT's culture of high challenge and support to its schools.

Across CIT's seven special schools there has been significant investment, with Greenfields opening a primary wing extending its age range into Key Stage 2. Work is well underway at Ambergate to update facilities and provide new classrooms. We are also eagerly awaiting the expansion of Garth, Priory and Sandon. The refurbishments and expansion will provide the schools with new, exciting facilities such as a hydro pool and a bespoke newly-built Sixth Form. Plans are well underway for building work to commence on a completely new building on a completely new site for John Fielding special school. The new build will be an all-age special school catering for up to 150 pupils, currently three times the size of the existing school.

CIT's Teaching School continues to work in close partnership with Lincolnshire County Council and Lincolnshire Teaching Schools Together (LTT) to deliver school to school support. The feedback from this has been extremely positive and there has been measurable impact on the outcomes that pupils within the schools supported have achieved.

Due to external economic pressures funding continues to be an issue for all our schools. However, the Trust as detailed in this report has managed to generate a small surplus during this financial year. We are very pleased and positive about the proposed funding increases, and are planning how the extra monies will have the most impact strategically in improving outcomes for students.

The fundraising team have secured over £136,000 in 2018-19 from outside charities. This will contribute to the provision of minibuses, an archery booth, science equipment, library books, musical instruments and breakfast clubs to mention just a few of the enhancements to CIT's already impressive offer. CIT's successful fundraising team fulfils an important part of our missions. We feel our active engagement to supplement financial support through bids and fundraising highlights our commitment to maintaining fantastic facilities for our pupils within the trust. In addition, we feel that fundraising in this way has multiple benefits, such as promoting the importance of working as a team, installing the importance of community and charity, helping the community and parents of pupils to have a more active role in the community and children's lives, and of course, help provide a better environment for our pupils.

The Chief Executive Officer presents his statement for the year.

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**CHIEF EXECUTIVE OFFICER'S STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Peter Bell  
Date: 26 November 2019

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**COMMUNITY INCLUSIVE TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Community Inclusive Trust (CIT) has continued to grow, primarily through the successful conversion of schools into the Trust. The most recent school to convert into the Trust is The Greenfields Academy (November 2018). The Trust warmly welcomes the school into the Trust and continues to strengthen working relationships through cooperation and pooling of resources.

In addition to converting Greenfields Academy, CIT had successfully opened Poplar Farm Primary School, a purpose built free school in Grantham. Poplar Farm Primary School opened in September 2018 accepting the first cohort of reception pupils. The School has welcomed a second cohort of pupils in September 2019 and will continue to enrol reception classes' year on year until it reaches a maximum of 420 pupils across all primary year groups.

As at 31 August 2019 The Trust comprised of the following schools and GAG funded pupils on roll:

- Ambergate Sports College (142)
- Sandon School (75)
- Isaac Newton Primary School (415)
- The Garth School (55)
- The Priory School (135)
- John Fielding Special School (59)
- The Woodlands Academy (71)
- Chapel St Leonards Primary School (167)
- Caythorpe Primary School (107)
- Greenfields Academy (53)
- Poplar Farm Primary School (49)

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trustees of Community Inclusive Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

### **Members' liability**

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

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Trustees' indemnities**

Trustees benefit from indemnity insurance purchased at the Company's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Company. Provided that any such insurance shall not extend to:

- Any claim arising from any act or omission which Trustees knew to be a breach of trust or breach of duty of which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not, and
- The costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Company. Further, this Article does not authorise a Trustee to benefit from any indemnity insurance that would be rendered void by the provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.

**Method of recruitment and appointment or election of Trustees**

In accordance with the Articles of Association the Members may appoint up to 9 Trustees through such a process as they may determine. The Trustees may appoint Staff Trustees through such a process as they may determine. The total number of Trustees including the Executive Principal who are employees of the Company shall not exceed one third of the total number of Trustees. The term of office for any Trustee shall be four years save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected. The Trustees have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New Trustees are then sought with these skills as replacements when existing Trustees stand down. It is anticipated that most new Trustees will be drawn from the local community or other who have shown interest in the future wellbeing of the Trust, the Academies within the Trust and the pupils. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within the East Midlands and through Academy Ambassadors.

**Policies adopted for the induction and training of Trustees**

Individual Trustees attend training courses and conferences organized by appropriate bodies in order to ensure their knowledge and understanding is up to date. A series of briefings for the Board and the Senior Leadership Team of Community Inclusive Trust as a whole is being carried out based on areas of potential interest and/or concern.



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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Organisational structure**

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Academy(ies), approving decisions reserved to Local Governing Body Governors and their members, as well as appointing key members of staff.

Subject to the Articles of Association, the Trustees may regulate their proceedings as they see fit in order to discharge their duties as Trustees. The Trust Board holds at least three meetings in every school year. The Trust utilises electronic communications and virtual groups in order to maintain progressive working practice and efficiency. A scheme of Delegation is in place, which devolves some powers and responsibilities to senior members of staff as well as Local Governing Bodies of each academy. The Scheme of Delegation is reviewed at least annually by the Trust Board and amended as necessary. A review of the Scheme of Delegation is being conducted to ensure it is reactive to the new Ofsted framework.

Each Local Governing Body operates within Terms of Reference which documents and define the objectives and the scope of the responsibilities.

The Chief Executive Officer is the Accounting Officer and works closely with the other Trustees, the Local Governing Bodies and senior members of staff to ensure the Trust achieves its objectives.

The day-to-day management of the Trust rests with the Chief Executive Officer who holds overall responsibility. The CEO is responsible for establishing a Senior Leadership Team, which includes certain senior members of staff within the Trust. The Senior leadership Team is responsible for ensuring the strategic direction is maintained in addition to achieving operational effectiveness. In addition, an Educational Standards team has been established which includes both Directors of Education, academy Head Teachers, Heads of School and the Vice Principals. The Educational Standards team consider and evaluate the performance of CIT schools and report on the effectiveness of teaching and learning. The team consider the aims and priorities for raising standards of achievement.

The Executive Principal has delegated authority to appoint, discipline and dismiss with the exception of the most senior members of staff for whom the full Board holds authority. Financial authority is delegated in line with the Scheme of Delegation, the Financial Management Policy and Financial Operating Procedures Handbook. The Trust Board review the Scheme of Delegation, the Financial Management Policy and Financial Operating Procedures Handbook at least every year to ensure they meet the provisions of the Academies Financial Handbook, as well as support operational functionality. Financial and business decisions are conducted in line with the Academies Financial Handbook 2019 and in accordance with the Trust policy and best practice.

**SENIOR LEADERSHIP TEAM**

CIT has adopted an operating structure whereby each academy is run by a Substantive Headteacher and supported by an Executive Head teacher. The Executive Headteachers provide leadership and mentoring to each school. The model creates a supportive structure which utilises the expertise of senior teaching staff and ensures the values of the Trust are maintained.

The leadership structure supports the progression of talented individuals and welcomes their development in turn with ensuring there is an appropriate succession plan in place. Additionally, the system offers added value due to the sharing of best practice and maintenance high standards.

In addition, some executive head teachers are actively participating with the development of other schools which are not yet part of the Trust. CIT believes in sharing best practice with other schools in order to achieve higher educational standards across the county.

From time to time, CIT is asked to assist in school development plans and the Trust's expertise are used to

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(A company limited by guarantee)

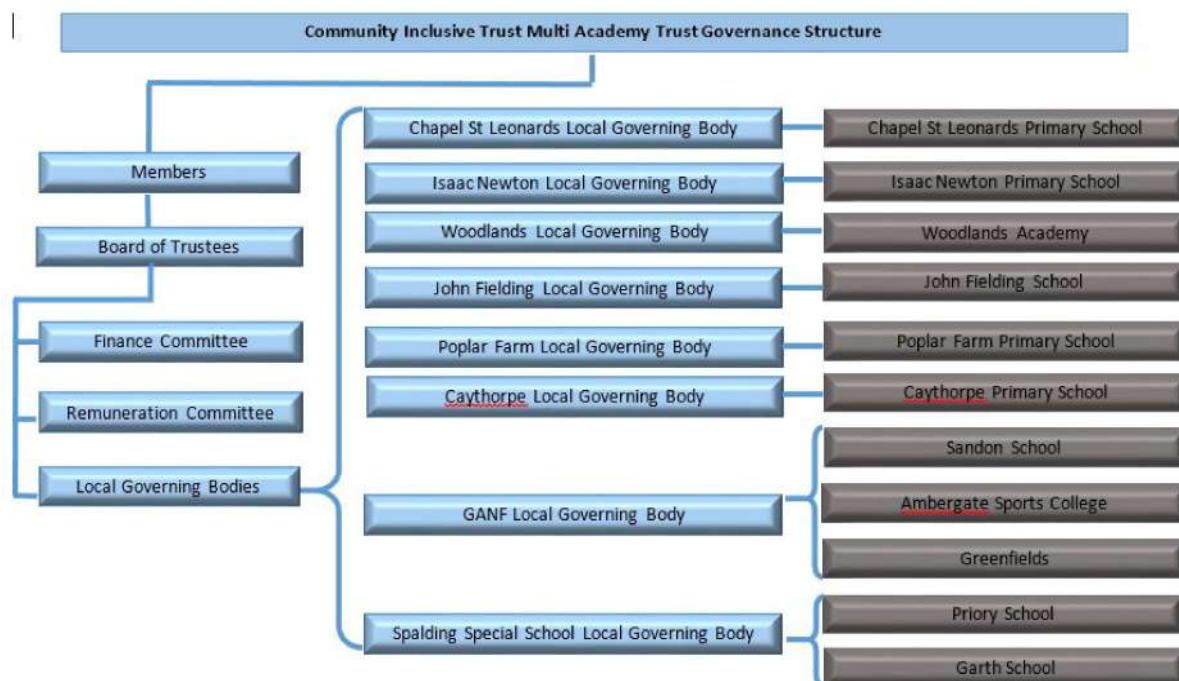
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

deliver measured improvement to the school. This sometimes leads to a school converting and joining the Trust or joining the Trust as an already established academy. The ability to offer this level of expertise is invaluable in working to deliver the overall strategic vision.

In the exercise of its delegated powers and functions, the Trustees and the Local Governing Bodies shall ensure that the Academy business is conducted in accordance with the objects and values of the Trust.

1. The Local Governing Body may have delegated powers regarding pupils discipline and curriculum development within the policies approved by the Trust Board;
2. The Trust Board reviews the membership and Terms of Reference for each committee annually. The Chairs of each committee are elected annually (for a term of four years);
3. They will promptly implement and comply with any policies or procedures communicated to the Local Governing Body by the Trustees from time to time;
4. They will review its own policies and practices on a regular basis, in view of any advice or recommendations made by the Trustees;
5. They will work closely with the Trustees and act with integrity, objectively and honestly in the best interest of the Trust and the Academy;
6. They will be open about decisions and be prepared to justify those decisions;
7. They will keep confidential all information of a confidential nature obtained by them relating to the Academy and the Trust; and,
8. They will adopt financial prudence in managing the financial affairs of the Trust in so far as these relate to the Academy and are delegated to them.



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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

A Remuneration, Performance Management and Nominations Committee was established in order to set the pay and performance conditions of the CEO and other senior members of staff. Only staff trustees, including the CEO, Executive Head teachers, Head teachers and Senior Management are remunerated. These individuals only receive remuneration in respect of services they provide under their contract of employment and not in respect of their roles as Trustees.

For all staff, their remuneration package is subject to CIT's Pay Policy. Currently, the teachers' statutory pay and conditions are used to benchmark teaching and senior teaching staff, with exceptions being approved by the Trust Board. All staff undergo an annual performance appraisal. This is linked to any performance related pay awards. For non-teaching staff, the Trust uses Lincolnshire County Council pay grades or the greater London Education Authority job evaluation framework. Central staff are remunerated in line with industry standards.

Due to the growth and diversity of the Trust, CIT continually review the pay and rewards standards. To assist with this, CIT has engaged with an HR partner to assist with the benchmarking of Central roles.

The Trust Board is mindful of the charitable status of the Academy Trust and recognises the fact the Trust receives funding under a funding agreement with the Secretary State of Education. Therefore, through benchmarking, the Trust ensures that the remuneration paid to senior leaders never exceeds a reasonable amount that provides value for money for the Trust.

An essential car allowance is in place for several senior members of staff for their particular role.

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

Community Inclusive Trust takes seriously its obligations to remain transparent at all times. All personnel are required to disclose any personal and pecuniary relationships on an annual basis, as well as when an event becomes notifiable. Related party disclosures are published on each school website.

CIT works in close partnership with the Lincolnshire Learning Partnership; Peter Bell being the SEN representative on the LLP's Head Teacher's Board.

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principle aim of CIT is to create a first-class infrastructure that influences education and enables outstanding lifelong learning.

Further aims are as follows:

- To provide high quality teaching that challenges students and equips them for life.
- To provide an environment that enables students to learn and teachers to teach effectively.
- To promote and recognise high standards of achievement in all spheres of activity.
- To encourage a quality of opportunity for all.

**Objectives, strategies and activities**

To create a self-supporting and challenging Trust that attracts good and outstanding schools as well as developing capacity to support other organisations. This will be through school to school support, focused leadership and high quality professional development led by the Teaching School within the Trust.

**Public benefit**

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document 'The Advancement of Education for the Public Benefit') into consideration in preparing their Statement on Regularity, Propriety and Compliance contained within this Annual Report.

In accordance with its charitable objectives, the Charitable Company strives to advance the education of the students attending the Academies within the Trust. The Charitable Company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the Academies within the Trust.

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of each Academy within the Community Inclusive Trust activities.

**FINANCIAL REVIEW**

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRATEGIC REPORT (continued)**

**FINANCIAL REVIEW (continued)**

**Achievements and performance**

TEACHING AND LEARNING AND ASSESSMENT

- Teaching challenges all pupils to make progress on prior learning, and achieve exceptional results in time
- Teaching is personalised and informed by the highest quality assessment and feedback
- Teaching engages and inspires, developing pupil's curiosity, imagination and love of learning
- Teaching enhances skills, attributes and attitudes, preparing pupils to achieve great success in life
- Teaching involves a passion for innovation and professional improvement

PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE

- All pupils to be responsible for their behaviour and learning in every lesson
- All groups of pupils feel safe across all the Academies within the Trust at all times
- Pupils are given opportunities to achieve in a wide range of activities

EFFECTIVENESS OF LEADERSHIP AND MANAGEMENT

- All pupils are valued and nurtured within their academy setting
- Individual academy priorities are determined by thorough and accurate self- evaluation
- All staff are valued and supported in their own career progression
- Improve the effectiveness of the Community Inclusive Trust Board and the Local Governing Body's and its Leadership.

Health checks and Ofsted inspections, over the last twelve months have deemed five of the schools to be operating at Outstanding and one as Good. For further details on all Academies progress, refer to the CIT Website ( [www.citacademies.co.uk](http://www.citacademies.co.uk) ).

**Key performance indicators**

Due to the diversity of the Academies and pupils with CIT, the following KPI's are measured through a variety of activities and data. This includes the Trust's annual health check of all its Academies which reviews quality of teaching, learning and assessment, personal development behaviour and welfare, outcomes for pupils and effectiveness of leadership and management, Ofsted reports, exam data, NEET Schools, internal school progress measures, performance management, lesson observations and learning walks. There is also a separate safeguarding health check.

- Pupils to achieve targets and to ensure all measures are above the national averages.
- Students to be provided with a curriculum to maximise their progress towards qualification success, further study and employability
- Ensure internal assessment is robust and prepare for measuring achievement within "Life without Levels" era.

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

SATs Results

<b>Key Stage 2 Results (Expected Standard)</b>								
	<b>Reading</b>		<b>Writing</b>		<b>Maths</b>		<b>Combined</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
Isaac Newton	59% (-2.0)	69% (-2.0)	67% (0.0)	71% (0.7)	61% (0.2)	77% (0.3)	55%	62%
Caythorpe	78% (-0.3)	79% (0.0)	83% (-0.6)	79% (2.0)	89% (-1.1)	79% (0.0)	72%	79%
Chapel St Leonards	48% (-3.8)	62% (0.8)	45% (-4.6)	62% (1.6)	41% (-6.0)	69% (2.0)	38%	54%
Poplar Farm	NA – No Year 6 at present							
<b>Key Stage 1 Results (Expected Standard)</b>								
	<b>Reading</b>		<b>Writing</b>		<b>Maths</b>			
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>		
Isaac Newton	65%	62%	63%	62%	68%	65%		
Caythorpe	75%	83%	75%	67%	75%	83%		
Chapel St Leonards	27%	57%	27%	52%	27%	61%		
Poplar Farm	NA	NA	NA	NA	NA	NA		
<b>Phonics (Pass)</b>								
	<b>2018</b>				<b>2019</b>			
Isaac Newton	78%				81%			
Caythorpe	88%				85%			
Chapel St Leonards	84%				83%			
Poplar Farm	NA				NA			
<b>EYFS (GLD)</b>								
	<b>2018</b>				<b>2019</b>			
Isaac Newton	67%				66%			
Caythorpe	71%				75%			
Chapel St Leonards	48%				68%			
Poplar Farm	NA				72%			

**COMMUNITY INCLUSIVE TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT (continued)**

**FINANCIAL REVIEW (continued)**

**GCSE Results**

Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Maths	Ambergate				1		2	1	2	1
	Priory						2	1	2	1
	Woodlands			1		2	1	1	6	17
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
English Lit	Ambergate									
	Woodlands			1	1			5	2	4
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
English	Priory						2	1		
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
English Lang	Ambergate						2	4		2
	Woodlands				1		1	2	4	4
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
History	Ambergate						1	1	2	
	Woodlands							2	2	
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Art	Ambergate									
	Woodlands								1	
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Geography	Ambergate						1	2	1	
	Woodlands				1	1	1	2		1
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
French	Ambergate									
	Woodlands				1	1				
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Latin	Woodlands			1						
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Biology	Woodlands				1					
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Chemistry	Woodlands					1				
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Physics	Woodlands				1					
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Statistics	Ambergate						1	2		
Subject	School	Grade	8	7	6(B)	5(C+)	4(C)	3(D)	2(E)	1
Combined Science	Ambergate					2	3	3	2	2

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRATEGIC REPORT (continued)**

**FINANCIAL REVIEW (continued)**

**School Monitoring, Support and Challenge**

All schools have undergone a CIT annual health check this year. These health checks have graded the schools as follows along with the Ofsted grading:

<b>School</b>	<b>OFSTED</b>	<b>CIT</b>
Ambergate	Outstanding	Outstanding
Garth	Outstanding	Outstanding
Greenfields	Good	RI
John Fielding	Good	Good
Priory	Good improver	Outstanding
Sandon	Outstanding	Outstanding
Woodlands	Outstanding	Outstanding

As a trust we are delighted with the Ofsted gradings, firstly as they provide a national recognition to the hard work and commitment of the Local Governors, staff and pupils put in on a daily basis. Secondly, that they provide external moderation that matches the Trust's evaluation of the school's position.

**Going concern**

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.



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**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRATEGIC REPORT (continued)**

**(continued)**

**Reserves policy**

The Trustees Policy is to generate reserves to ensure the stability of the Trust's organisational operations, so that it has the ability to adjust quickly to changes in financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital, in addition to providing funds to continue to enhance the educational facilities and services of the Trust.

The following purposes and setting of reserves are considered appropriate for Community Inclusive Trust:

General reserves are to be maintained at a level that are at least 3.5% of the gross income of the schools within the Trust. The aim is to increase this to 5% over a period of 3 years from the date of this policy. However, this level will be reviewed annually by the Board.

Unspent income and/or grants not specifically identified for other purposes will be added to the general reserve. Any in-year deficits will be resourced from this fund as far as possible. If deficits result in the fund falling below the 3.5% threshold, either resources will need to be set aside in the following years budget, or funds will need to be transferred from the capital reserves budget and capital projects be put on hold in order to restore the general reserves fund. If the shortfall is significant, the Accounting Officer may propose to the Trust Board that the fund is restored over more than one year.

Specific Capital Reserves are to be identified by the Trust Board as part of the five year strategic plan. As part of the annual budgeting process all schools and the Trust Support Hub should consider whether they wish to propose for additional capital reserves to be established. The school condition and its development/improvements plan should be the main input into the process. Proposals for establishing reserves will need to be agreed with the CEO who will present them to the Trust Board for approval.

The Trust's reserves comprise both unrestricted and restricted funds. As at 31 August 2019, the funds held in Unrestricted Reserves were £686,239 and Restricted Revenue Reserves totalled £164,588. A further £43,233,487 is held in the Restricted Fixed Asset Reserves, however, this can only be realised by disposing of the Trust's Fixed Assets.

A liability of £11,367,000 is shown in the Trust's balance sheet in respect of the local government pension scheme. The academy does not expect to have to fund the deficit other than in the normal course of making contributions to the pension fund. The risk to the academy is that if the deficit increases so too will the amount of pension contributions the academy is required to make. However, this risk may be mitigated by any future proposed reform of the pension scheme. The academy maintains 5-year financial plan, which considers various funding scenarios and how these can be managed and planned for. The academy's risk management policy requires the governors to assess the major risks to which the trust will be exposed and consider how the risks can be managed and mitigate.

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**COMMUNITY INCLUSIVE TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRATEGIC REPORT (continued)**

**(continued)**

**Investment policy**

The Trustees investment powers are set down in the charitable Companies Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities, or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Academy Trust can invest surplus funds where the return is higher than that of a normal current deposit account. Apart from funds transferring to a current deposit account, all investment decisions are decided by the Finance & Financial Audit Committee and Trustees. Any investment made by the Trust will ensure there is no risk of loss in capital value of any cash funds invested and that invested funds are protected against inflation and a view is taken to optimise returns on invested funds. The charitable company's current policy is to invest surplus funds in short term cash deposits.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the Trust are as follows:

1. The Trust has considerable reliance on continued government funding through the ESFA and whilst the current level of funding is expected to continue there is no assurance that government policy of practice will remain the same or that public funding will continue at the same level or the same terms.
2. The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, safeguarding, health and safety and discipline.
3. The success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
4. The Trust has appointed internal auditors to carry out checks on financial systems and records as required by the Academy Financial Handbook.
5. Failures in governance / management and in particular the risk that arises from the potential failure to effectively manage the Trusts finances, internal controls, compliance with regulations and legislation, statutory returns etc.
6. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
7. As the Trust grows additional risks may be identified. The Trustees will evaluate these risks and ensure that adequate measures are put in place to mitigate and reduce these risks.
8. The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest levels of educational and care standards. To mitigate this risk Trustees, ensure that students care, success and attainment are closely monitored and reviewed.

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**COMMUNITY INCLUSIVE TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRATEGIC REPORT (continued)**

**(continued)**

**Financial review**

The Trust held fund balances at 31 August 2019 of £32,707,314, comprising £164,588 of restricted funds, a fixed asset reserve of £43,223,487, a pension reserve deficit of £11,367,000 and £686,239 of unrestricted general funds.

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities. During the year ended 31 August 2019, total expenditure of £15,840,392 was less than recurrent restricted grant funding from the ESFA together with other restricted incoming resources. The excess of income over expenditure for the period was £76,541.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is monitored. In the period under review, £91,078 was carried forward representing 0.8% of GAG.

Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2019 this was 88.4% and this will be monitored in future periods.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £11,367,000.

**Fundraising**

The fundraising team have secured over £136,000 in 2018-19 from outside charities. This will contribute to the provision of minibuses, an archery booth, science equipment, library books, musical instruments and breakfast clubs to mention just a few of the enhancements to CIT's already impressive offer. CIT's successful fundraising team fulfils an important part of our missions.

We feel our active engagement to supplement financial support through bids and fundraising highlights our commitment to maintaining fantastic facilities for our pupils within the trust. In addition, we feel that fundraising in this way has multiple benefits, such as promoting the importance of working as a team, installing the importance of community and charity, helping the community and parents of pupils to have a more active role in the community and children's lives, and of course, help provide a better environment for our pupils.

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**COMMUNITY INCLUSIVE TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Plans for future periods**

Community Inclusive Trust continues to achieve its strategic objectives and deliver excellent support to academies within the Organisation; a mechanism enabled by pooling resources, providing value for money and delivering economies of scale.

The Trust is further supported by the Lincolnshire Education and Research Network (LEARN teaching school) which provides training and development to educators and support staff across schools in the East Midlands.

CIT is committed to the training, development and wellbeing of staff across all of its schools. Through its investment in people, by training and personal development, the service provided to the pupils is enhanced as well as developing the necessary infrastructure to support underperforming schools.

Enhancement mentoring

CIT is committed to ensure value is added back to the Trust by providing training, development and succession opportunities.

The Trust continually reviews its needs and a clear strategic development plan has been developed and shared with the Regional Commissioner.

As a Trust, we are moving to create a fully functional central services function that will provide support for Finance, HR, IT and other universally required services to all schools in the CIT family. It is our belief that there are considerable economies of scale to be realised by centralising the provision of non-educational services and utilities.

We have already had success in centralising buying for IT hardware and Insurance services. It is our intention to continue these improvements to realise further cost savings into the Trust.

**Funds held as custodian on behalf of others**

The charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders.

**Employee involvement and employment of the disabled**

The Trustees aim to provide an environment that will promote equality for all staff. Where staff have disabilities, the Trustees seek to ensure that reasonable and affordable arrangements are made to ensure they can take full advantage of the generally available entitlement. Trustees ensure there is collaboration with specialist services and agencies to provide coherent and integrated support.

The Trust supports and encourages all employees and provides equal access to career development and promotion opportunities.

All applicants to employment are treated fairly regardless of their race, disability, gender, religious beliefs or sexual orientation.

The Trust supports consultation with all staff on matter relating to terms and conditions of employment at the Trust, the Trust vision and strategy and shares information regularly on achievement and performance of the Trust.

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**COMMUNITY INCLUSIVE TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Disclosure of information to auditors**

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the board of Trustees, as the company directors, on 26 November 2019 and signed on its behalf by:

.....  
S Hopkins  
(Chair of Trustees)

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**COMMUNITY INCLUSIVE TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Community Inclusive 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 CEO, 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 Community Inclusive 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.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 6 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
P Boucher, Chair (until resignation)	6	6
G Cook	1	4
K Goodman	4	6
K Weekes	5	6
L McClements	4	6
S Hopkins, Chair (from 28 October 2019)	1	1
S Maycock	0	1
P Jordan	2	2
P Bell, Chief Executive and Accounting Officer	6	6
R King	1	1

The composition of the Board has evolved during the year. This has been driven by the skills audit, that identified a greater need for finance and business expertise as well as primary experience to support and challenge the growth of the Primary sector within CIT.

Recent additions to the Board include a national Leader of Governance and a Head of Finance with Government and Local Authority Experience as well as a Multi Academy Trust experience.

The Trust is currently undertaking a review of Governance to ensure that the model and systems in place are adequate and reflective of sector needs.

The Finance and Financial Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to ensure effective financial control, advise the Board of Trustees on financial risk management and have a sole responsibility for the internal and external audit process.

The Finance and Financial Audit Committee shall have as many members as is determined by the main board from time to time, appointments to the committee falling into one of two categories:

Full members - non-employees who are also Trustee Directors of the CIT Trust Board, and who may vote of all matters discussed or brought before the committee.

Associate members - who may not vote on audit matters (nor on any other matters if so decided by a majority of the committee full members present, and may also be asked to withdraw from the meeting in such circumstances) but are nevertheless permanent members of the committee who may attend as and when other commitments allow. They include the Chair of the CIT Trust Board, the CIT CEO and the CIT CFO.

For the purpose of advice, the Trust has invited various guests to join the Finance & Financial Audit Committee meetings. This is to aid the understanding of the grass roots functionality of our schools and to advise on the progress on current projects that impact on the Trust's finances.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Jordan	3	3
K Weekes	3	5

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

K Goodman	4	5
L McClements	3	5
P Bell, Guest	3	5

The Remuneration, Performance Management and Nominations Committee is also a sub-committee of the main board of Trustees. Its purpose is to set the Trust's remuneration Policy, approve Senior Executive pay, ensure there is adequate succession planning and performance management of senior members of the management team. The Committee meet at least three times each year to ensure that the remuneration systems in place are in line with the industry standard and set to attract and retain individuals of a suitable calibre.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Boucher	1	1
K Goodman	1	1
R King	1	1

**Review of value for money**

As accounting officer, the CEO has responsibility for ensuring that the Academy 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'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 Academy has delivered improved value for money during the year by:

- Undertaking competitive tendering processes in line with CIT's policy
- Review of staffing structures within CIT
- Review of department expenditures
- Actively looking to central purchasing for utilities and other services for the whole Trust in order to accommodate economies of scale.

**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 on-going 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 Community Inclusive Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.



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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 year 1 September 2018 to 31 August 2019 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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**COMMUNITY INCLUSIVE TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint two independent internal auditors for the year. Both Julia Raftery Consultancy Limited and Assurance Lincolnshire Limited have been appointed as internal auditor.

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

- Governance arrangements
- Risk management arrangements
- Budget management
- Cash and banking arrangements
- Purchase procedure compliance
- Use of commercial cards
- Income
- Payroll procedures
- Asset management

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

The internal auditors delivered the schedule of work in line with expectations of the trust board. Where areas for improvement were highlighted, the Trust together with the heads of department and school business managers agreed an action plan to strengthen best practice and eradicate any concerns raised.

Key points raised from the during the reviews were some areas of inconsistent record keeping and documentation, however, no material anomalies were identified and general practice indicated schools were operating in line with the Trust's policies. However, training was delivered to ensure schools operate in line with the Trust's guidelines.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

As accounting officer, the CEO 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 auditors;
- 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 their review of the system of internal control by the finance and financial audit 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 26 November 2019 and signed on their behalf by:

.....  
S Hopkins  
Chair of Trustees

.....  
P Bell  
Accounting Officer

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Community Inclusive Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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.

.....  
**P Bell**  
Accounting Officer  
Date: 6 December 2019

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 & 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 . 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 2018 to 2019;
- 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 on 26 November 2019 and signed on its behalf by:

.....  
**S Hopkins**  
(Chair of Trustees)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COMMUNITY INCLUSIVE TRUST**

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**Opinion**

We have audited the financial statements of Community Inclusive Trust (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & 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 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 Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COMMUNITY INCLUSIVE TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COMMUNITY INCLUSIVE TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the Academy 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**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.

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's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COMMUNITY INCLUSIVE TRUST (CONTINUED)**

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**Mark Bradshaw (senior statutory auditor)**

for and on behalf of  
**Streets Audit LLP**

Windsor House  
A1 Business Park at

Long Bennington  
Notts  
NG23 5JR

6 December 2019

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
COMMUNITY INCLUSIVE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 March 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Community Inclusive Trust during the year 1 September 2018 to 31 August 2019 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 Community Inclusive Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Community Inclusive 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 Community Inclusive Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Community Inclusive Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Community Inclusive Trust's funding agreement with the Secretary of State for Education dated 28 August 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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's income and expenditure.

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit Team's reports.

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
COMMUNITY INCLUSIVE 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Mark Bradshaw (Senior statutory auditor)**

**Streets Audit LLP**

Windsor House  
A1 Business Park at  
Long Bennington  
Notts  
NG23 5JR

Date: 6 December 2019

**COMMUNITY INCLUSIVE TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	422,864	(799,000)	15,804,100	15,427,964	7,209,756
Charitable activities		499,828	15,590,979	-	16,090,807	13,452,094
Teaching schools		-	325,954	-	325,954	167,839
Other trading activities		62,148	-	-	62,148	10,850
Investments	6	846	-	-	846	913
<b>Total income</b>		<b>985,686</b>	<b>15,117,933</b>	<b>15,804,100</b>	<b>31,907,719</b>	<b>20,841,452</b>
<b>Expenditure on:</b>						
Charitable activities		890,908	16,540,256	855,412	18,286,576	14,436,381
Teaching schools		-	276,136	-	276,136	153,687
<b>Total expenditure</b>		<b>890,908</b>	<b>16,816,392</b>	<b>855,412</b>	<b>18,562,712</b>	<b>14,590,068</b>
<b>Net income/(expenditure )</b>		<b>94,778</b>	<b>(1,698,459)</b>	<b>14,948,688</b>	<b>13,345,007</b>	<b>6,251,384</b>
Transfers between funds	17	-	(106,940)	106,940	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>94,778</b>	<b>(1,805,399)</b>	<b>15,055,628</b>	<b>13,345,007</b>	<b>6,251,384</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(3,173,000)	-	(3,173,000)	1,578,000
<b>Net movement in funds</b>		<b>94,778</b>	<b>(4,978,399)</b>	<b>15,055,628</b>	<b>10,172,007</b>	<b>7,829,384</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		591,461	(6,224,013)	28,167,859	22,535,307	14,705,923
Net movement in funds		94,778	(4,978,399)	15,055,628	10,172,007	7,829,384
<b>Total funds carried forward</b>		<b>686,239</b>	<b>(11,202,412)</b>	<b>43,223,487</b>	<b>32,707,314</b>	<b>22,535,307</b>

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 39 to 72 form part of these financial statements.

**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09071623**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	42,217,479	28,076,742
		<u>42,217,479</u>	<u>28,076,742</u>
<b>Current assets</b>			
Debtors	15	2,057,323	1,071,644
Cash at bank and in hand		2,386,199	1,262,840
		<u>4,443,522</u>	<u>2,334,484</u>
Creditors: amounts falling due within one year	16	(2,586,687)	(1,456,919)
<b>Net current assets</b>		<u>1,856,835</u>	<u>877,565</u>
<b>Total assets less current liabilities</b>		<u>44,074,314</u>	<u>28,954,307</u>
<b>Net assets excluding pension liability</b>		<u>44,074,314</u>	<u>28,954,307</u>
Defined benefit pension scheme liability	22	(11,367,000)	(6,419,000)
<b>Total net assets</b>		<u><u>32,707,314</u></u>	<u><u>22,535,307</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	43,223,487	28,167,859
Restricted income funds	17	164,588	194,987
		<u>43,388,075</u>	<u>28,362,846</u>
Restricted funds excluding pension asset	17	43,388,075	28,362,846
Pension reserve	17	(11,367,000)	(6,419,000)
<b>Total restricted funds</b>	17	<u>32,021,075</u>	<u>21,943,846</u>
<b>Unrestricted income funds</b>	17	<u>686,239</u>	<u>591,461</u>
<b>Total funds</b>		<u><u>32,707,314</u></u>	<u><u>22,535,307</u></u>

The financial statements on pages 34 to 72 were approved by the Trustees, and authorised for issue on 26 November 2019 and are signed on their behalf, by:

**S Hopkins**  
(Chair of Trustees)

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The notes on pages 39 to 72 form part of these financial statements.

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<b>(108,302)</b>	484,318
<b>Cash flows from investing activities</b>	20	<b>1,231,661</b>	(336,334)
<b>Change in cash and cash equivalents in the year</b>		<b>1,123,359</b>	147,984
Cash and cash equivalents at the beginning of the year		<b>1,262,840</b>	1,114,856
<b>Cash and cash equivalents at the end of the year</b>	21	<u><b>2,386,199</b></u>	<u>1,262,840</u>

The notes on pages 39 to 72 form part of these financial statements



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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Community Inclusive Trust meets the definition of a public benefit entity under 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 Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy 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.

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

• **Donations**

Donations are recognised on a receivable basis (where 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 has provided the goods or services.

• **Transfer of existing academies into the Academy**

Where assets and liabilities are received on the transfer of an existing academy into the Academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised for the transfer of an existing academy into the Academy within 'Income from Donations and Capital Grants' to the net assets acquired.

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**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.

- **Charitable activities**

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

All resources expended are 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; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 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.

Where properties occupied by academies are the subject of PFI contracts, consideration is given to the detailed terms of the relevant contract and to whether or not the PFI contract transfers the risks and rewards of ownership to the trust. If there is such as transfer of risk and rewards, such assets are accounted for under the policies of land and buildings set out above. If such risks and rewards are not transferred, the nature of the properties is deemed to be akin to serviced accommodation, and payments under the PFI contract are treated as operating lease payments.

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:

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Leasehold property	- 2% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 25% 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.

**1.7 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.

**1.8 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.

**1.9 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 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.

**1.10 Provisions**

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

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

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.11 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 15. Prepayments are not financial instruments. Amounts due to the Academy'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 cost as detailed in note 16. 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**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 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 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 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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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.14 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

**1.15 Fund accounting**

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

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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:

Woodlands Academy and Greenfields Academy are PFI schools and the property occupied is therefore the subject of PFI contracts. The trustees have given consideration to the detailed terms of the relevant contract and to whether or not the PFI contracts transfers the risks and rewards of ownership to the trust. The trustees have concluded that the PFI contracts does indeed transfer the risks and rewards of ownership to the trust and accordingly the property is accounted for under the policies of tangible fixed assets above.

The trustees also give consideration to whether properties held under 125 year leases from the Local Authority transfer the risks and rewards of ownership to the trust. The trustees have concluded that the 125 year leases do indeed transfer the risks and rewards of ownership to the trust and accordingly the properties are accounted for under the policies for tangible fixed assets above.

**COMMUNITY INCLUSIVE TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Donations	422,864	(799,000)	13,148,758	<b>12,772,622</b>
Capital Grants	-	-	2,655,342	<b>2,655,342</b>
	<u>422,864</u>	<u>(799,000)</u>	<u>15,804,100</u>	<u><b>15,427,964</b></u>
	<u><u>422,864</u></u>	<u><u>(799,000)</u></u>	<u><u>15,804,100</u></u>	<u><u><b>15,427,964</b></u></u>
			<i>Restricted</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Donations	113,412	(564,000)	5,925,000	5,474,412
Capital Grants	-	-	1,735,344	1,735,344
	<u>113,412</u>	<u>(564,000)</u>	<u>7,660,344</u>	<u>7,209,756</u>
	<u><u>113,412</u></u>	<u><u>(564,000)</u></u>	<u><u>7,660,344</u></u>	<u><u>7,209,756</u></u>



**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the Academy's educational operations**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
General Annual Grant (GAG)	-	9,063,523	<b>9,063,523</b>
Other DfE/ESFA Grants	-	1,082,148	<b>1,082,148</b>
Local Authority Grants	-	5,445,308	<b>5,445,308</b>
School trips	49,227	-	<b>49,227</b>
Catering	76,841	-	<b>76,841</b>
Consultancy and staff income	190,722	-	<b>190,722</b>
Other income	183,038	-	<b>183,038</b>
	<u>499,828</u>	<u>15,590,979</u>	<u><b>16,090,807</b></u>
	<u><u>499,828</u></u>	<u><u>15,590,979</u></u>	<u><u><b>16,090,807</b></u></u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
General Annual Grant (GAG)	-	7,881,460	7,881,460
Other DfE/EFA Grants	-	822,157	822,157
Local Authority Grants	-	4,243,836	4,243,836
School trips	45,131	-	45,131
Catering	74,799	-	74,799
Consultancy and staff income	266,630	-	266,630
Other income	118,081	-	118,081
	<u>504,641</u>	<u>12,947,453</u>	<u>13,452,094</u>
	<u><u>504,641</u></u>	<u><u>12,947,453</u></u>	<u><u>13,452,094</u></u>

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**COMMUNITY INCLUSIVE TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Hire of facilities	62,148	<b>62,148</b>	10,850

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank interest	846	<b>846</b>	913

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. Expenditure**

	<b>Staff Costs</b> <b>2019</b> £	<b>Premises</b> <b>2019</b> £	<b>Other</b> <b>2019</b> £	<b>Total</b> <b>2019</b> £
Academy's Educational Operations:				
Direct costs	10,615,299	-	947,966	<b>11,563,265</b>
Allocated support costs	3,457,273	1,195,511	2,070,527	<b>6,723,311</b>
Teaching school	109,126	-	167,010	<b>276,136</b>
	<u>14,181,698</u>	<u>1,195,511</u>	<u>3,185,503</u>	<u><b>18,562,712</b></u>

	<i>Staff Costs</i> <i>2018</i> £	<i>Premises</i> <i>2018</i> £	<i>Other</i> <i>2018</i> £	<i>Total</i> <i>2018</i> £
Academy's Educational Operations:				
Direct costs	9,774,018	-	64,342	9,838,360
Allocated support costs	1,366,424	711,213	2,520,384	4,598,021
Teaching school	97,787	-	55,900	153,687
	<u>9,774,018</u>	<u>711,213</u>	<u>2,520,384</u>	<u>12,005,615</u>

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
Academy's Educational Operations	11,563,265	6,723,311	<b>18,286,576</b>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Academy's Educational Operations	9,838,360	4,598,021	14,436,381

**Analysis of support costs**

	<b>Academy's Educational Operations 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	3,457,273	<b>3,457,273</b>	2,004,424
Depreciation	855,412	<b>855,412</b>	463,268
Technology costs	311,561	<b>311,561</b>	200,638
Premises costs	633,276	<b>633,276</b>	433,843
PFI costs	562,235	<b>562,235</b>	277,370
Other costs	875,525	<b>875,525</b>	1,190,981
Governance costs	28,029	<b>28,029</b>	27,497
	<u>6,723,311</u>	<u><b>6,723,311</b></u>	<u>4,598,021</u>

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

Net income/(expenditure) for the year includes:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>855,412</b>	<i>489,690</i>
Loss on disposal of fixed assets	-	<i>2,707</i>
Fees paid to auditors for:		
- audit	<b>13,250</b>	<i>15,050</i>
- other services	<b>4,750</b>	<i>9,950</i>
	<b>873,412</b>	<i>517,397</i>

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	10,476,964	8,217,666
Social security costs	950,073	729,239
Pension costs	2,654,185	2,085,269
	<u>14,081,222</u>	<u>11,032,174</u>
Agency staff costs	55,276	154,049
Staff restructuring costs	45,200	52,006
	<u>14,181,698</u>	<u>11,238,229</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	45,200	52,006
	<u>45,200</u>	<u>52,006</u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff costs are non-statutory severance payments of £45,200 (2018 - £52,006).

Individually, the payments were: £13,500, £10,000, £9,000, £8,200 and £4,500.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	131	118
Management	16	18
Administration and Support	346	308
	<u>493</u>	<u>444</u>

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**10. Staff costs (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>120</b>	<i>103</i>
Management	<b>16</b>	<i>18</i>
Administration and Support	<b>248</b>	<i>235</i>
	<b>384</b>	<i>356</i>

**d. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>3</b>	<i>3</i>
In the band £70,001 - £80,000	<b>2</b>	<i>3</i>
In the band £80,001 - £90,000	<b>2</b>	<i>1</i>
In the band £100,001 - £110,000	<b>2</b>	<i>2</i>
In the band £150,001 - £160,000	<b>1</b>	<i>1</i>

**e. Key management personnel**

The key management personnel of the academy trust comprise the staff trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £724,456 (2018 - £627,821).

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**11. Central services**

The Academy has provided the following central services to its academies during the year:

- Financial services including internal and external audit;
- Education support services;
- Strategic leadership.
- IT support services;
- HR and recruitment services;
- Governance support services;
- Centralised contracts;
- School Operations Management services;

The Academy charges for these services on the following basis:

8.0% of GAG and agreed local authority place funding for existing Academies.

The actual amounts charged during the year were as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
Ambergate Sports College	<b>164,440</b>	<i>109,537</i>
The Grantham Sandon School	<b>134,094</b>	<i>81,724</i>
The Isaac Newton Primary School	<b>166,362</b>	<i>98,754</i>
The John Fielding Special School	<b>111,735</b>	<i>68,446</i>
The Priory School	<b>166,712</b>	<i>98,741</i>
The Garth School	<b>105,058</b>	<i>70,936</i>
Woodlands Academy	<b>155,235</b>	<i>95,663</i>
Caythorpe Primary School	<b>48,660</b>	<i>23,509</i>
Chapel St Leonards Primary School	<b>87,003</b>	<i>25,590</i>
Greenfields Academy	<b>103,403</b>	<i>-</i>
<b>Total</b>	<b><u>1,242,702</u></b>	<b><u>672,900</u></b>



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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
P Bell, Chief Executive and Accounting Officer Remuneration	<b>150,000 -</b>	<i>150,000 -</i>
	<b>155,000</b>	<i>155,000</i>
Pension contributions paid	<b>20,000 -</b>	<i>20,000 -</i>
	<b>25,000</b>	<i>25,000</i>

During the year ended 31 August 2019, travel expenses totalling £1,389 were reimbursed or paid directly to 5 Trustees (*2018 - £386 to 2 Trustees*).

**13. Trustees' and Officers' insurance**

The Academy has opted into the Department of 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.

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14. Tangible fixed assets**

	F/hold and L/hold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	28,798,934	139,978	159,693	125,944	29,224,549
Additions	1,370,957	264,802	199,637	11,995	1,847,391
On acquisition of subsidiaries	13,101,000	-	47,758	-	13,148,758
Disposals	-	-	-	(4,000)	(4,000)
At 31 August 2019	<u>43,270,891</u>	<u>404,780</u>	<u>407,088</u>	<u>133,939</u>	<u>44,216,698</u>
<b>Depreciation</b>					
At 1 September 2018	911,034	54,449	98,402	83,922	1,147,807
Charge for the year	683,924	71,045	85,193	15,250	855,412
On disposals	-	-	-	(4,000)	(4,000)
At 31 August 2019	<u>1,594,958</u>	<u>125,494</u>	<u>183,595</u>	<u>95,172</u>	<u>1,999,219</u>
<b>Net book value</b>					
At 31 August 2019	<u><u>41,675,933</u></u>	<u><u>279,286</u></u>	<u><u>223,493</u></u>	<u><u>38,767</u></u>	<u><u>42,217,479</u></u>
At 31 August 2018	<u><u>27,887,900</u></u>	<u><u>85,529</u></u>	<u><u>61,291</u></u>	<u><u>42,022</u></u>	<u><u>28,076,742</u></u>

The Trust's transactions relating to freehold and leasehold property are:

- £1,147,491 for roofing and Early Years expansion at Ambergate;
- £134,812 for boiler replacement at Sandon;
- £81,539 for roofing at Garth;
- £7,115 for other minor upgrades across the Trust.

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**15. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	<b>162,566</b>	181,957
Other debtors	<b>344,775</b>	133,958
Prepayments and accrued income	<b>1,549,982</b>	755,729
	<b>2,057,323</b>	1,071,644

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>1,263,432</b>	562,422
Other taxation and social security	<b>224,553</b>	207,566
Other creditors	<b>226,218</b>	201,050
Accruals and deferred income	<b>872,484</b>	485,881
	<b>2,586,687</b>	1,456,919

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	591,461	985,686	(890,908)	-	-	686,239
<b>Restricted general funds</b>						
General Annual Grant (GAG)	171,295	9,063,523	(9,036,800)	(106,940)	-	91,078
Other DfE/ESFA grants	-	1,082,148	(1,082,148)	-	-	-
Local Authority grants	-	5,445,308	(5,445,308)	-	-	-
Teaching school	23,692	325,954	(276,136)	-	-	73,510
Pension reserve	(6,419,000)	(799,000)	(976,000)	-	(3,173,000)	(11,367,000)
	<u>(6,224,013)</u>	<u>15,117,933</u>	<u>(16,816,392)</u>	<u>(106,940)</u>	<u>(3,173,000)</u>	<u>(11,202,412)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	24,932,647	13,148,758	(683,925)	-	-	37,397,480
Capital expenditure from GAG	331,589	-	(100,442)	106,940	-	338,087
Other DfE/ESFA capital grants	2,668,174	1,879,842	(71,045)	-	-	4,476,971
Other activities	235,449	775,500	-	-	-	1,010,949
	<u>28,167,859</u>	<u>15,804,100</u>	<u>(855,412)</u>	<u>106,940</u>	<u>-</u>	<u>43,223,487</u>
<b>Total Restricted funds</b>	<u>21,943,846</u>	<u>30,922,033</u>	<u>(17,671,804)</u>	<u>-</u>	<u>(3,173,000)</u>	<u>32,021,075</u>

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total funds</b>	<b>22,535,307</b>	<b>31,907,719</b>	<b>(18,562,712)</b>	<b>-</b>	<b>(3,173,000)</b>	<b>32,707,314</b>

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, 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 Fixed Asset funds

Transfer from Local Authority on conversion represents the assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2019 results in a net surplus of £850,827.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Ambergate Sports College	621,248	295,664
The Grantham Sandon School	437,491	290,900
The Isaac Newton Primary School	41,301	83,834
The John Fielding Special School	122,275	60,881
The Priory School	316,467	42,395
The Garth School	166,526	60,526
Woodlands Academy	195,735	59,169
Caythorpe Primary School	(30,654)	2,736
Chapel St Leonards Primary School	18,376	(9,022)
Poplar Farm Primary School	(70,959)	-
Greenfields Academy	357,148	-
Central Services	(1,324,127)	(100,635)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	850,827	786,448
Restricted fixed asset fund	43,223,487	28,167,859
Pension reserve	(11,367,000)	(6,419,000)
	<hr/>	<hr/>
<b>Total</b>	<b>32,707,314</b>	<b>22,535,307</b>
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Caythorpe Primary School	(30,654)
Poplar Farm Primary School	(70,959)
Central Services	(1,324,127)
	<hr/> <hr/>

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

Caythorpe Primary School is in deficit due to a fall in pupil numbers reducing the class sizes and as a result the school has fallen into a deficit position.

Poplar Farm Primary School is in deficit due to limited income in the first year as the number of pupils is at its least amount but a number of staffing and overheads still have to be provided to operate the school

The Trust has undergone changes during the year and as a result, a number of cost headings have been taken centrally which have exceeded the amount charged as central services. This will start to provide economies of scale for all schools, but will show as a deficit at the centre in the interim period. This deficit is covered by surplus revenue funds across the Trust.

The Academy is taking the following action to return the academies to surplus:

Caythorpe Primary School is expected to return to a surplus in the next 2-3 years. The Trust has reduced the number of classes for 2019/20 in order to return to a balanced budget position. Early indicators for the school are good as pupil numbers have started to increase, although this has happened after the October 2019 census so will not be realised financially until 2021/22.

Poplar Farm Primary School is expected to reduce significantly in year 2 as pupil numbers increase. This is also the reason that a management fee top slice hasn't been charged during the year 2018/19.

The Trustees are looking at ways to recover the central deficit from component schools as there remain funds available, potentially by means of a one-off charge.

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Ambergate Sports College	1,274,701	58,523	67,057	154,144	<b>1,554,425</b>
The Grantham Sandon School	1,184,761	37,476	72,965	100,283	<b>1,395,485</b>
The Isaac Newton Primary School	1,471,093	97,096	97,955	259,923	<b>1,926,067</b>
The John Fielding Special School	1,032,632	57,548	57,461	74,236	<b>1,221,877</b>
The Priory School	1,379,948	27,099	81,313	154,752	<b>1,643,112</b>
The Garth School	907,545	71,560	27,783	95,284	<b>1,102,172</b>
Woodlands Academy	1,087,224	69,261	53,635	442,647	<b>1,652,767</b>
Caythorpe Primary School	415,185	66,102	41,076	70,618	<b>592,981</b>
Chapel St Leonards Primary School	697,318	130,265	72,236	95,015	<b>994,834</b>
Poplar Farm Primary School	210,700	113,079	35,647	138,513	<b>497,939</b>
Greenfields Academy	728,273	100,060	51,234	330,202	<b>1,209,769</b>
Central Services	33,200	2,168,052	196,649	1,517,971	<b>3,915,872</b>
<b>Academy</b>	<b>10,422,580</b>	<b>2,996,121</b>	<b>855,011</b>	<b>3,433,588</b>	<b>17,707,300</b>



**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General Funds	374,317	629,816	(412,672)	-	-	591,461
<b>Restricted general funds</b>						
General Annual Grant (GAG)	124,323	7,641,407	(7,411,680)	(182,755)	-	171,295
Other DfE/ESFA grants	-	1,194,852	(1,194,852)	-	-	-
Local Authority grants	-	4,111,194	(4,111,194)	-	-	-
Teaching school	9,540	167,839	(153,687)	-	-	23,692
Pension reserve	(6,614,000)	(564,000)	(819,000)	-	1,578,000	(6,419,000)
	<u>(6,480,137)</u>	<u>12,551,292</u>	<u>(13,690,413)</u>	<u>(182,755)</u>	<u>1,578,000</u>	<u>(6,224,013)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	19,494,630	5,925,000	(486,983)	-	-	24,932,647
Capital expenditure from GAG	148,834	-	-	182,755	-	331,589
Other DfE/ESFA capital grants	1,040,633	1,627,541	-	-	-	2,668,174
Other activities	127,646	107,803	-	-	-	235,449
	<u>20,811,743</u>	<u>7,660,344</u>	<u>(486,983)</u>	<u>182,755</u>	<u>-</u>	<u>28,167,859</u>

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
	£	£	£	£	£	£
<b>Total Restricted funds</b>	14,331,606	20,211,636	(14,177,396)	-	1,578,000	21,943,846
<b>Total funds</b>	14,705,923	20,841,452	(14,590,068)	-	1,578,000	22,535,307

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

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

	<b>Unrestricted funds 2019</b>	<b>Restricted funds 2019</b>	<b>Restricted fixed asset funds 2019</b>	<b>Total funds 2019</b>
	£	£	£	£
Tangible fixed assets	-	-	42,217,479	<b>42,217,479</b>
Current assets	686,239	2,751,275	1,006,008	<b>4,443,522</b>
Creditors due within one year	-	(2,586,687)	-	<b>(2,586,687)</b>
Provisions for liabilities and charges	-	(11,367,000)	-	<b>(11,367,000)</b>
<b>Total</b>	686,239	(11,202,412)	43,223,487	<b>32,707,314</b>

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

	<i>Unrestricted funds 2018</i>	<i>Restricted funds 2018</i>	<i>Restricted fixed asset funds 2018</i>	<i>Total funds 2018</i>
	£	£	£	£
Tangible fixed assets	-	-	28,076,742	28,076,742
Current assets	591,461	1,598,028	144,995	2,334,484
Creditors due within one year	-	(1,403,041)	(53,878)	(1,456,919)
Provisions for liabilities and charges	-	(6,419,000)	-	(6,419,000)
<b>Total</b>	591,461	(6,224,013)	28,167,859	22,535,307

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**19. Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income for the year (as per statement of financial activities)	<b>13,345,007</b>	6,251,384
<b>Adjustments for:</b>		
Depreciation	855,412	489,690
Capital grants from DfE and other capital income	<b>(2,655,342)</b>	(1,735,344)
Interest receivable	(846)	(913)
Defined benefit pension scheme cost less contributions payable	763,000	638,000
Defined benefit pension scheme finance cost	213,000	181,000
(Increase)/decrease in debtors	<b>(985,679)</b>	170,418
Increase/(decrease) in creditors	1,129,768	(32,798)
Net (loss)/gain on assets and liabilities from local authority on conversion	<b>(12,772,622)</b>	(5,474,412)
Profit on the sale of fixed assets	-	(2,707)
<b>Net cash (used in)/provided by operating activities</b>	<b>(108,302)</b>	484,318

**20. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	846	913
Proceeds from the sale of intangible assets	-	5,050
Purchase of tangible fixed assets	<b>(1,847,391)</b>	(2,191,053)
Capital grants from DfE Group	2,655,342	1,735,344
Cash transferred on conversion to an academy trust	422,864	113,412
<b>Net cash provided by/(used in) investing activities</b>	<b>1,231,661</b>	(336,334)

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>2,386,199</b>	1,262,840
<b>Total cash and cash equivalents</b>	<b>2,386,199</b>	1,262,840

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**22. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' 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. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £224,808 were payable to the schemes at 31 August 2019 (2018 - £193,668) and are included within creditors.

**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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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%.

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £819,920 (2018 - £669,059).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2019 was £1,329,000 (2018 - £1,021,000), of which employer's contributions totalled £1,054,000 (2018 - £824,000) and employees' contributions totalled £ 275,000 (2018 - £197,000). The agreed contribution rates for future years are 18.0 per cent to 18.5 per cent for employers and various 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.

**Principal actuarial assumptions**

	<b>2019</b>	<i>2018</i>
	%	%
Rate of increase in salaries	<b>2.7</b>	2.7
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.3
Discount rate for scheme liabilities	<b>1.9</b>	2.8
Commutation of pensions to lump sums	<b>75</b>	75

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

	<b>2019</b>	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.2</b>	22.1
Females	<b>23.5</b>	24.4
<i>Retiring in 20 years</i>		
Males	<b>22.5</b>	24.1
Females	<b>25.2</b>	26.6

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Discount rate +0.1%	<b>575</b>	<i>334</i>
Mortality assumption - 1 year increase	<b>802</b>	<i>455</i>

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

	<b>At 31</b>	<i>At 31 August</i>
	<b>August 2019</b>	<i>2018</i>
	<b>£</b>	<i>£</i>
Equities	<b>6,344,000</b>	<i>3,953,000</i>
Corporate bonds	<b>1,391,000</b>	<i>812,000</i>
Property	<b>869,000</b>	<i>596,000</i>
Cash and other liquid assets	<b>87,000</b>	<i>54,000</i>
<b>Total market value of assets</b>	<b>8,691,000</b>	<i>5,415,000</i>

The actual return on scheme assets was £250,000 (2018 - £247,000).

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

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<i>£</i>
Current service cost	<b>(1,703,000)</b>	<i>(1,439,000)</i>
Past service cost	<b>(114,000)</b>	<i>(23,000)</i>
Interest income	<b>212,000</b>	<i>111,000</i>
Interest cost	<b>(425,000)</b>	<i>(292,000)</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(2,030,000)</b>	<i>(1,643,000)</i>

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>11,834,000</b>	<b>10,340,000</b>
Conversion of academy trusts	-	920,000
Transferred in on existing academies joining the trust	<b>2,333,000</b>	-
Current service cost	<b>1,703,000</b>	1,439,000
Interest cost	<b>425,000</b>	292,000
Employee contributions	<b>275,000</b>	197,000
Actuarial losses/(gains)	<b>3,423,000</b>	(1,331,000)
Benefits paid	<b>(49,000)</b>	(46,000)
Past service costs	<b>114,000</b>	23,000
<b>At 31 August</b>	<b>20,058,000</b>	<b>11,834,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>5,415,000</b>	<b>3,726,000</b>
Conversion of academy trusts	-	356,000
Transferred in on existing academies joining the trust	<b>1,534,000</b>	-
Interest income	<b>212,000</b>	111,000
Actuarial gains	<b>250,000</b>	247,000
Employer contributions	<b>1,054,000</b>	824,000
Employee contributions	<b>275,000</b>	197,000
Benefits paid	<b>(49,000)</b>	(46,000)
<b>At 31 August</b>	<b>8,691,000</b>	<b>5,415,000</b>

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**COMMUNITY INCLUSIVE TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**23. Operating lease commitments**

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	517,924	262,493
Later than 1 year and not later than 5 years	2,023,352	1,020,146
Later than 5 years	2,032,864	2,286,972
	<u>4,574,140</u>	<u>3,569,611</u>

**24. Members' liability**

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

**25. Related party transactions**

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

No related party transactions have taken place other than trustee's remuneration in Note 12 to the financial statements.

**26. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £5,900 (2018 - £6,457) and disbursed £5,900 (2018 - £6,457) from the fund.



**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**27. Transfer of existing academies into the academy**

**Greenfields Academy**

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
<b>Tangible fixed assets</b>			
Freehold property	180,210	5,900,790	<b>6,081,000</b>
Furniture and equipment	6,340	(6,340)	-
Computer equipment	47,758	-	<b>47,758</b>
Motor vehicles	18,744	(18,744)	-
<b>Current assets</b>			
Debtors due after one year	132,136	(10,283)	<b>121,853</b>
Cash at bank and in hand	427,625	(4,761)	<b>422,864</b>
<b>Liabilities</b>			
Creditors due within one year	(88,737)	(56,159)	<b>(144,896)</b>
<b>Pensions</b>			
Pensions - pension scheme assets	1,534,000	-	<b>1,534,000</b>
Pensions - pension scheme liabilities	(2,331,000)	(2,000)	<b>(2,333,000)</b>
<b>Net (liabilities)/assets</b>	<u>(72,924)</u>	<u>5,802,503</u>	<u><b>5,729,579</b></u>

**COMMUNITY INCLUSIVE TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**28. Free School Building Programme**

On 1 September 2018 Poplar Farm Primary School opened as part of the trust under the ESFA's Free School Building Programme for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The asset of the property transferred was valued at its fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporation income and expenditure account as Donations.

**29. Teaching school trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>Direct income</b>				
Grant income	181,135		78,145	
Self-generated income	144,819		89,694	
<b>Total income</b>		<b>325,954</b>		<b>167,839</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	109,126		97,787	
Direct depreciation	1,067		1,552	
Other direct costs	165,943		51,912	
<b>Total direct expenditure</b>	<b>276,136</b>		<b>151,251</b>	
<b>Total expenditure</b>		<b>276,136</b>		<b>151,251</b>
<b>Surplus from all sources</b>		<b>49,818</b>		<b>14,152</b>
<b>Teaching school balances at 1 September 2018</b>		<b>23,692</b>		<b>9,540</b>
<b>Teaching school balances at 31 August 2019</b>		<b>73,510</b>		<b>23,692</b>