

Registered number: 09071623 (England & Wales)

COMMUNITY INCLUSIVE TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

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COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

P Boucher
K Weekes
G Cook

Trustees

P Boucher, Chair
G Cook
D Metcalfe (resigned 24 November 2016)
K Weekes
P Dyson (appointed 28 January 2016)
J Stanford (appointed 3 December 2015)
P Bell, Chief Executive and Accounting Officer
D Bland (appointed 24 March 2016)
N Buckingham (appointed 28 April 2016, resigned 12 September 2016)
A Finn (appointed 14 July 2016)
C Buffham (resigned 26 February 2016)

Company registered number

09071623

Company name

Community Inclusive Trust

Principal and registered office

Autumn Park Business Centre, Autumn Park, Dysart Road, Grantham, Lincs, NG31 7EU

Chief executive officer

P Bell

Senior leadership team

P Bell, CEO
C Buffham, Director of Education
D Bland, Executive Headteacher - Spalding Special Schools and John Fielding
P Hill, Head Teacher - Isaac Newton
C Armond, Head Teacher - Woodlands

Independent auditors

Streets Audit LLP, Windsor House, A1 Business Park at, Long Bennington, Notts, NG23 5JR

Bankers

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Solicitors

Browne Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

Internal Auditor

Julia Raftery Consulting Limited, Unit 2, Kirmington Business Park, Ulceby, DN39 6YP

Additional Reference and Administrative Details			
Local Governing Body - GANF	<u>Name</u>	<u>Position</u>	<u>No meetings attended</u>
	Pam Powell	Chair appointed 24.3.16	1/1
	Kate Scheel	Co-opted Gov	2/4
	Laura Dodd	Co-opted Gov	4/4
	Pauline Brownlow	Co-opted Gov	4/4
	Peter Bell	Exec Head teacher	3/4
	Katie Bennington	Parent Gov	4/4
	John Curnow	Resigned 24.3.16	1/1
	Alison Paxton	Parent Gov Appointed 3.5.16	1/1
Local Governing Body – Isaac Newton	<u>Name</u>	<u>Position</u>	<u>No meetings attended</u>
	Pat Whyte	Community Gov	4/4
	Paul Hill	Head Teacher	4/4
	Kate Scheel	Community Gov	3/4
	Katie Brockington	Staff Gov	4/4
	Liz Lygo	Resigned 31.8.16	2/4
	Andrew Pask	Parent Gov	2/4
	Carol Mitchel	Resigned 13.10.15	1/1
	Peter Bell	CEO	4/4
Local Governing Body - SSS	<u>Name</u>	<u>Position</u>	<u>No meetings attended</u>
	Janet Corcoran	Chair	4/4
	Nigel Earth	Vice Chair (Joined 1/5/16)	3/4
	Daran Bland		4/4
	Clive Bourne		3/4
	Dianne Sawyer		4/4
	John Stanford		0/3
	Robert Molson		4/4
	Kate Yearsley		3/4
Local Governing Body – John Fielding	<u>Name</u>	<u>Position</u>	<u>No meetings attended</u>
	Marlene Fullwood	Chair-Parent Gov	3/3
	Ian Evans	Vice Chair – Co-opted Gov	3/3
	Janice Cotgreave	Staff Gov	3/3
	Mike Pichel-Juan	Co-opted Gov	2/3
	Paul Daubney	Co-opted Gov	3/3
	Dave Foster	Parent Gov	2/3
	Daran Bland	Exec Head Teacher	3/3
	Mick Hollis	Co-opted Gov	0/0(Joined July 2016)
Local Governing Body - Woodlands	Woodlands Academy converted on 1.8.16 and so did not hold any LGB meetings within the year ending 31.8.16		
	<u>Name</u>	<u>Position</u>	
	Chris Armond	Head teacher	
	Pam Powell	Chair	
	John Thorold	Vice Chair	
	Mary Flynn		

	David Middlehurst Community Gov Tricia Reid Safeguarding Gov John Eaton Parent Gov Kathleen Eaton Parent Gov
Senior Leadership Teams	<p><u>GANF</u></p> Peter Bell Exec Head Claire Buffham Director of Education James Ellis Senior Principal Stela Plamenova Principal of Sandon School Sarah Watts Safeguarding Lead Sara Ellis Assistant Head Ann White Director of Teaching School
	<p><u>Isaac Newton</u></p> Paul Hill Head Teacher Gill Anderson Deputy Head Teacher Sara Pask Assistant Head Teacher Katie Brockington Assistant Head Teacher
	<p><u>Priory</u></p> Daran Bland Exec Head Barry Taylor Head of school Emily Walker Assistant Head Teacher Patricia Carter KS3 Lead Matthew Flatt KS4 lead Kate Isaacs MFL coordinator Clive Bourne School Business manager
	<p><u>Garth</u></p> Daran Bland Exec Head Clive Bourne School Business manager Richard Gammon Head of School Clare Moore Assistant Head teacher Aaron Bloodworth-Flatt KS1 / Early Years
	<p><u>John Fielding</u></p> Daran Bland Exec Head Karen Smith Head of School Nina Prowting Acting Assistant Head Teacher
	<p><u>Woodlands</u></p> Chris Armond Head Teacher Alice Eyre Deputy Head teacher Tom Booth Assistant Head teacher Philip Vickers SENCo William Mara Head of Alternative Provision and Support Services

Trustee's Report

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period to 31st August 2016. The annual report serves the purpose of both a trustees report and a directors' report under company law.

Structure, Governance and Management

Constitution	<p>The Community Inclusive Trust is a company limited by guarantee and an exempt Charity. The Trusts Memorandum and Articles of Association are its primary governing documents. The directors of CIT are also the directors of the charitable company for the purposes of company law.</p> <p>The Trust has grown significantly over the last twelve months, with a view to achieving its aim of equal numbers of Primary School Academies and Special School Academies to allow all its students an inclusive, high quality education. The Trust consists, currently, of one large Primary Academy and six highly successful Special Schools. At the time of writing, the Trust has an application for a Primary Free School bid being considered as well as an Academy Order for another Primary.</p> <p>The Trust comprises of the following schools and GAG funded pupils on roll.</p> <ul style="list-style-type: none">• Ambergate Sports College – (122)• Sandon School – (77)• Isaac Newton Primary School – (343)• The Garth School (45)• The Priory School (130)• John Fielding Special School (44)• The Woodlands Academy (55)
Members Liability	<p>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.</p>
Method of Recruitment and Appointment or Election of the Trustees	<p>In accordance with the Articles of Association the Members may appoint up to 5 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.</p>
Arrangements for Setting Pay and	<p>Only staff trustees, including the CEO, Executive Headteachers and Headteachers 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,</p>

Remuneration of Key Management Personnel	<p>their remuneration package is subject to CIT's Pay Policy. Currently, the teachers' statutory pay and conditions are used to benchmark all senior leaders pay and any exceptions are agreed by the Trust Board. Senior leaders and teaching 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. An essential car allowance is in place for two senior members of staff as the Trust deemed that they were not able to fulfil their role without use of their own car. A review of rewards is planned, due to the growth of size and diversity of the Trust, to support this process; it is intended to use external benchmarking. 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 and therefore ensures through benchmarking and the proposed external benchmarking that the remuneration paid to senior leaders never exceeds a reasonable amount that provides value for money for the Trust.</p>
Policies and Procedures Adopted for the Induction and Training of Trustees	<p>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.</p>
Organisational Structure	<p>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 Members and appointing key members of staff.</p> <p>Subject to the Articles of Association, the Trustees may regulate their proceedings as they see fit. The Trust Board holds at least three meetings in every school year. Meetings with the Trustees shall be convened by the Clerk. Schemes of Delegation are in place devolving some powers and responsibilities to the Local Governing Bodies of each academy. The Scheme of Delegation is renewed by the Trust Board annually.</p> <p>The Executive Principal is the Accounting Officer and works closely with the other Trustees, the Local Governing Bodies and the senior staff of each academy.</p> <p>The day-to-day management of the Community Inclusive Trust rests with the Executive Principal who has overall responsibility for the Trust. The Executive Principal is responsible for establishing a Senior Leadership Team, including the Head Teacher, Heads of School and the Vice Principals, the appointment, discipline and dismissal of the latter will be referred to the Full Board.</p> <p>The Executive Principal has delegated authority to appoint, discipline and dismiss with the exception of the Head Teacher, Heads of School and the Vice Principals for whom the full Board holds this authority. Financial authority is delegated in line with the Scheme of Delegation and the Finance Policy that is approved by the full Board on an annual basis. If financial or other business decisions are required between meetings then electronic authority may be sought from the members of the Board. These are monitored throughout the year, in line with an agreed timetable, by the Local Governing Bodies.</p>

	<p>In the exercise of its delegated powers and functions, the Trust Board Trustees and the Local Governing Bodies shall ensure that the Academy business is conducted in accordance with the objects/values of the Trust.</p> <ol style="list-style-type: none"> 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;
Related Parties and Other Connected Charities and Organisations	<p>The Community Inclusive Trust works in close partnership with the Lincolnshire Learning Partnership. Peter Bell being the SEN representative on the LLP's Headteacher's Board. The newly designated Teaching School is developing an Alliance.</p>
Trustees Indemnities	<p>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: (i) 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 (ii) 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.</p>
Objectives and Activities	
Objects and Aims	<p>The principle aim of CIT is to create a first class infrastructure that influences education and enables outstanding lifelong learning.</p> <p>Further aims are as follows:</p> <ol style="list-style-type: none"> 1. To provide high quality teaching that challenges students and equips them for life. 2. To provide an environment that enables students to learn and teachers to teach effectively. 3. To promote and recognise high standards of achievement in all spheres of activity

	4. 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	<p>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.</p> <p>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.</p> <p>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.</p>																																																																		
Strategic Report																																																																			
Achievements and Performance Ambergate	<p>The table below details the accredited qualifications achieved by year 11 students during the 2015/16 academic year</p> <table><tr><td></td><td></td><td colspan="5">Grade</td></tr><tr><td>GCSE</td><td>C</td><td>D</td><td>E</td><td>F</td><td>G</td><td>U</td></tr><tr><td>English</td><td></td><td></td><td>2</td><td>1</td><td>1</td><td></td></tr><tr><td>Maths</td><td>1</td><td>1</td><td></td><td>1</td><td>1</td><td>1</td></tr><tr><td>Science</td><td></td><td></td><td>2</td><td></td><td>2</td><td></td></tr><tr><td>Geography</td><td></td><td></td><td>1</td><td>1</td><td>1</td><td>1</td></tr></table> <table><tr><td></td><td colspan="5">Level</td></tr><tr><td>BTEC</td><td>E3</td><td>L1 Award</td><td>L1 Cert.</td><td>L2 Cert</td><td></td></tr><tr><td>Sport</td><td>3</td><td>10</td><td></td><td></td><td></td></tr><tr><td>Art</td><td>6</td><td>3</td><td></td><td></td><td></td></tr></table>			Grade					GCSE	C	D	E	F	G	U	English			2	1	1		Maths	1	1		1	1	1	Science			2		2		Geography			1	1	1	1		Level					BTEC	E3	L1 Award	L1 Cert.	L2 Cert		Sport	3	10				Art	6	3			
		Grade																																																																	
GCSE	C	D	E	F	G	U																																																													
English			2	1	1																																																														
Maths	1	1		1	1	1																																																													
Science			2		2																																																														
Geography			1	1	1	1																																																													
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BTEC	E3	L1 Award	L1 Cert.	L2 Cert																																																															
Sport	3	10																																																																	
Art	6	3																																																																	

Public Services	2	1			
Drama		2			

Entry Level Cert.	E1	E2	E3
Maths	1	3	8
Science	7	1	
German	9	5	2
Design & Technology	4	2	

Functional Skills	Entry 1	Entry 2	Entry 3	Level 1	Level 2
English	4	12	8		
Maths			3	3	3

	Entry Level Award (E3)	Entry level Introductory Award (E3)	Level 1 Award
OCR Life & Living Skills		2	
OCR Employability Skills			9
OCR Personal Life Skills	1		

	Comparison																																			
	On comparison of the CASPA with the NPG UQ data we can see that over the last three academic years the number of pupils reaching CASPA targets has continued to stay at an Outstanding level. In Literacy and Numeracy we can see that pupil progress continues to be very consistent over the last 3 years.																																			
	<table><tr><td></td><td colspan="2">CASPA</td><td colspan="2">NPG (UQ)</td></tr><tr><td>Year</td><td>Lit</td><td>Num</td><td>Lit</td><td>Num</td></tr><tr><td>13/14</td><td>98</td><td>98</td><td>79</td><td>83</td></tr><tr><td>14/15</td><td>98</td><td>95</td><td>70</td><td>85</td></tr><tr><td>15/16</td><td>97</td><td>94</td><td>61</td><td>71</td></tr></table>		CASPA		NPG (UQ)		Year	Lit	Num	Lit	Num	13/14	98	98	79	83	14/15	98	95	70	85	15/16	97	94	61	71										
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14/15	98	95	70	85																																
15/16	97	94	61	71																																
Achievements and Performance Sandon	The table below details the accredited qualifications achieved by pupils during the 2015/16 academic year																																			
	<table><tr><td></td><td colspan="6">Level</td></tr><tr><td></td><td>Entry level Introductory Award</td><td>Entry Level Award</td><td>Entry Level Extended Award</td><td>Entry Level Certificate</td><td>Entry Level Extended Certificate</td><td>Entry Level Diploma</td></tr><tr><td>OCR Life & Living Skills E1</td><td>7</td><td>7</td><td>4</td><td>5</td><td>5</td><td>3</td></tr><tr><td>OCR Life & Living Skills E2</td><td>4</td><td>1</td><td></td><td>1</td><td>1</td><td></td></tr><tr><td>OCR Life & Living Skills E3</td><td>7</td><td>5</td><td></td><td>3</td><td>2</td><td></td></tr></table>		Level							Entry level Introductory Award	Entry Level Award	Entry Level Extended Award	Entry Level Certificate	Entry Level Extended Certificate	Entry Level Diploma	OCR Life & Living Skills E1	7	7	4	5	5	3	OCR Life & Living Skills E2	4	1		1	1		OCR Life & Living Skills E3	7	5		3	2	
		Level																																		
		Entry level Introductory Award	Entry Level Award	Entry Level Extended Award	Entry Level Certificate	Entry Level Extended Certificate	Entry Level Diploma																													
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	OCR Life & Living Skills E2	4	1		1	1																														
	OCR Life & Living Skills E3	7	5		3	2																														
<table><tr><td>Entry Level Certificate</td><td>E1</td><td>E2</td><td>E3</td></tr><tr><td>English</td><td>2</td><td>2</td><td></td></tr><tr><td>Maths</td><td></td><td>1</td><td>2</td></tr><tr><td>ICT</td><td></td><td>2</td><td>1</td></tr></table>	Entry Level Certificate	E1	E2	E3	English	2	2		Maths		1	2	ICT		2	1																				
Entry Level Certificate	E1	E2	E3																																	
English	2	2																																		
Maths		1	2																																	
ICT		2	1																																	

BTEC	E3	L1 Award
Sport	1	
Art	2	
IT Users		1
Performing Arts		4

Pathways	E1	E2	E3
Prep for work		1	
Independent Living		3	2
Food Studies		1	1
Humanities	1		

Functional skills	Entry 1	Entry 2	Level 1
English		2	
Maths			1
ICT	1	2	1

	Grade					
GCSE	C	D	E	F	G	U
Maths		1				
Science					1	

	ASDAN
PSD	1

Comparison

On comparison of the CASPA data over the last three academic years the number of pupils reaching CASPA targets has been very consistent with both Literacy and Numeracy always having over 95% of pupils achieving their targets.

Year	CASPA		NPG (UQ)	
	Lit	Num	Lit	Num
13/14	97	95		
14/15	95	95		
15/16	100	100	68	72

Achievements and Performance Isaac Newton

Foundation Stage Results							
	% 78+ in and all 13 scales			% 2+ in AOL 1-5			
Year	2010	2011	2012	2013	2014	2015	2016
Number on Roll	49	43	50	60	57	59	59
Percentage	52%	53%	50%	43% (-9)	60% (-1)	64% (-2)	70% (+4)

KEYSTAGE 1

	2012	2013	2014	2015	2016	NA 2015
Phonics Passed	62 (+4)	69 (=)	85 (+11)	88 (+14)	90% (+16)	74

	2010	2011	2012	2013	2014	2015	Life Without Levels	2016
Number on role	34	35	49	43	46	59		59
Reading Level 2+	79	86	88	81 (-8)	89 (-1)	90 (=)	HNM	25%
Reading Level 2b+	47	71	80	77 (-3)	74 (-7)	85 (+3)	EXS	75%
Reading Level 3	0	17	10	35 (+6)	26 (-5)	29 (-3)	GDS	13%
Writing Level 2+	68	86	84	85 (=)	83 (-3)	90 (+2)	HNM	35%
Writing Level 2b+	44	69	65	67 (=)	67 (-3)	80 (+8)	EXS	65%
Writing Level 3	0	9	4	27 (+12)	13 (-3)	14 (-4)	GDS	7%
Mathematics Level 2+	85	97	94	95 (+4)	94 (+2)	97 (+4)	HNM	27%
Mathematics Level 2b+	76	80	86	84 (+6)	85 (+5)	85 (+3)	EXS	73%
Mathematics Level 3	6	9	6	28 (+5)	20 (-4)	24 (-2)	GDS	13%

KEYSTAGE 2

	2010	2011	2012	2013	2014	2015	Life Without Levels	2016	
Number on role	44	44	42	42	33	32		48	
Reading Level 4+	71 (-12)	80 (-4)	79 (-8)	79 (-7)	85 (-4)	94 (+6)			
Reading Level 4B+				79 (+4)	76 (-2)	84 (+4)	HNM	35	
Reading Level 5+	30	39	45 (-3)	57 (+12)	55 (+5)	50 (+2)	EXS	65 (5 appeals)	66
Reading Level 6+	0	0	0	2	0	0	GDS	NA	
Reading Levels Progress 2	Eng – 92	83	88	83 (-5)	94 (+3)	100 (+9)			
Reading Levels Progress 3	N/A	N/A	N/A	44	67	45	Scale	102.6	103
Writing Level 4+	61	61	52	69 (-8)	79 (-6)	88 (+1)			
Writing Level 4B+							HNM	22	

Writing Level 5+	25	7	19	17 (-23)	18 (-15)	25 (-11)	EXS	78 (4)	74
Writing Level 6+	0	0	0	0	0	0	GDS	13	
Writing Levels Progress	2	Eng – 92	79	80	80 (-9)	91 (-1)	97 (+3)		
Writing Levels Progress	3	N/A	N/A	N/A	10	39	26		
Grammar, Punctuation and Spelling Level 4+		N/A	N/A	N/A	74 (=)	67 (-9)	88 (+8)	HNM	30
Grammar, Punctuation and Spelling Level 4B+		N/A	N/A	N/A	60 (=)		84 (+11)	EXS	70 (-2) 72
Grammar, Punctuation and Spelling Level 5+		N/A	N/A	N/A	43 (-5)	45 (-7)	59 (+4)	GDS	NA
Grammar, Punctuation and Spelling Level 6+		N/A	N/A	N/A	0	0	0	Scale	102.4 104
Mathematics Level 4+	80 (+1)	77 (-3)	79 (-5)	81 (-4)	79 (-7)	88 (+1)			
Mathematics Level 4B+				74 (+1)	73 (-3)	81 (+4)	HNM	28	
Mathematics Level 5+	18 (-16)	23 (-12)	26 (-13)	48 (-7)	33 (-9)	44 (+3)	EXS	72 (2)	70
Mathematics Level 6+	0	0	0	2	3	3	GDS	NA	
Maths Levels Progress	2	79	80	85	88 (=)	82 (-8)	87 (-3)		
Maths Levels Progress	3	N/A	N/A	N/A	44	30	42	Scale	103.4 5 103
Level 4 in all		N/A	N/A	52 (-23)	67 (-8)	70 (-9)	84 (+4)	EXS ALL	57 (+4) 53

CASPA Data Analysis 2014/15/16 Summary

	More than expected progress		Expected progress		Less than expected progress	
	14/15	15/16	14/15	15/16	14/15	15/16
English	40%	15%	57.5%	82%	2.5%	2.5%
Mathematics	55%	35%	42%	60%	3%	5%
Science	50%	26%	47%	68%	3%	6%
ICT	48%	39%	45%	59%	7%	2%
PSD	29%	31%	66%	67%	5%	2%

Targets Analysis 2014/15/16

	Exceeded or met end of year Upper Quartile Target		Achieved Medium Quartile Target		Achieved Lower Quartile Target	
	14/15	15/16	14/15	15/16	14/15	15/16
English	85%	86%	4%	13%	4%	7%
Mathematics	90%	85%	4%	6%	2%	9%
Science	84%	87%	6%	9%	4%	4%
ICT	68%	86%	13%	11%	7%	3%
PSD	77%	89%	13%	8%	4%	3%

Regards external qualifications:

10 students completed Equals Moving On Essentials for life at a range of levels

4 students completed WJEC Entry Pathways Drama at Entry 2 or Entry 3

2 students completed Entry Level 1 Functional Skills in English

Achievements and Performance The Priory	Language and Literacy		
	2013/2014	2014/2015	2015/2016
	LEP	2%	4%
	EP	56%	68%
	MEP	42%	28%
	Reading		
	2013/2014	2014/2015	2015/2016
	LEP	9%	7.5%
	EP	56%	65%
	MEP	35%	27.5%
	Writing		
	2013/2014	2014/2015	2015/2016
	LEP	4%	6%
	EP	52%	70%
	MEP	44%	24%
	Speaking		
	2013/2014	2014/2015	2015/2016
	LEP	3%	9%
	EP	64%	63%
	MEP	33%	28%
	Listening		
	2013/2014	2014/2015	2015/2016
	LEP	6%	8%
	EP	54%	49%
	MEP	40%	44%
	Mathematics		
	2013/2014	2014/2015	2015/2016
	LEP	2%	4%
	EP	46%	48%
	MEP	52%	48%
	Using and Applying		
	2013/2014	2014/2015	2015/2016
	LEP	30%	7.5%
	EP	29%	50%
	MEP	41%	42.5%
	Number		
	2013/2014	2014/2015	2015/2016
	LEP	7%	4%
	EP	51%	66%
	MEP	42%	30%
	Shape, Space & Measure		
	2013/2014	2014/2015	2015/2016

LEP	3%	2%	9.5%
EP	44%	43%	53%
MEP	53%	55%	37.5%

	Science		
	2013/2014	2014/2015	2015/2016
LEP	37%	37%	10%
EP	51%	51%	40%
MEP	12%	12%	51%
	Scientific Enquiry		
	2013/2014	2014/2015	2015/2016
LEP	27%	36%	27%
EP	37%	39%	25%
MEP	36%	25%	48%
	Life Processes and Living Things		
	2013/2014	2014/2015	2015/2016
LEP	40%	45%	22%
EP	24%	39%	20%
MEP	36%	16%	58%
	Physical Processes		
	2013/2014	2014/2015	2015/2016
LEP	36%	60%	16%
EP	32%	32%	28%
MEP	32%	8%	56%
	Materials and Their Properties		
	2013/2014	2014/2015	2015/2016
LEP	39%	48%	22.0%
EP	33%	34%	33%
MEP	28%	18%	45%

	Science		
	2013/2014	2014/2015	2015/2016
LEP	37%	37%	10%
EP	51%	51%	40%
MEP	12%	12%	51%
	Scientific Enquiry		
	2013/2014	2014/2015	2015/2016
LEP	27%	36%	27%
EP	37%	39%	25%
MEP	36%	25%	48%
	Life Processes and Living Things		

		2013/2014	2014/2015	2015/2016
	LEP	40%	45%	22%
	EP	24%	39%	20%
	MEP	36%	16%	58%
		Physical Processes		
		2013/2014	2014/2015	2015/2016
	LEP	36%	60%	16%
	EP	32%	32%	28%
	MEP	32%	8%	56%
		Materials and Their Properties		
		2013/2014	2014/2015	2015/2016
	LEP	39%	48%	22.0%
	EP	33%	34%	33%
	MEP	28%	18%	45%
Achievements and Performance John Fielding	For 2015-16 results will show a decline due to all KS4 and 5 pupils being enrolled on a 2 year accreditation through OCR.			
	The rationale for this change was that courses were organised, delivered and assessed in a manner that enabled all to achieve aspirational targets as they moved through KS4 and 5. Our students would complete a pre-determined selection of OCR Units that were appropriate to both ability and age. These units would then accumulate allowing all to achieve at Diploma level within ELC. School is also currently researching the processes involved in becoming an NCFE Centre as this will then enable our learners to achieve within vocational subjects from ELC 1-3 to Level 1 or higher.			
	The table below details the different units of work pupils have achieved over the past academic year that will be accumulated by the end of each relevant Key Stage			
	2015-16			
		OCR		
	Entry Level	E1	E2	E3
	ELC Literacy	Courses beginning in 2016-17		
	ELC Numeracy			
	OCR – Home Management – Food Safety & Storage – E2		5	

	OCR – World of Work – Introduction to Health & Safety – E2	5	6					
	Art & Design – Entry Level – College			3				
	Catering – Entry Level – College			2				
Achievements and Performance Woodlands	Results							
	The table below details the accredited qualifications achieved by pupils across the school during the 2015/16 academic year.							
	Results in bold are awarded and <u>underlined</u> are pending/predicted for August 2016.							
		Grade						
	GCSE	B	C	D	E	F	G	U
	English Lang				4	<u>1</u>	1	
	English Lit				<u>2</u>	<u>2</u>		<u>1</u>
	Maths			1	2	1	3	1 1
	Art		<u>4</u>					
	Geography			<u>1</u>	<u>1</u>			
	Design Technology		<u>1</u>					
Catering			<u>1</u>	<u>1</u>	<u>1</u>			
Leisure and Tourism			<u>2</u>			<u>1</u>		
		Level						
BTEC	E3	L1 Cert	L1 Award	L2 Cert				
Applied Science		6	3					
Engineering		<u>2</u>	<u>2</u>					
Land Based Studies		1	1					
Work Skills			9					
IT Users		4	4					

Construction		<u>1</u>		
Photography		4		
Independent Living	2			

	Level		
Entry Level	E1	E2	E3
English	<u>1</u>	5	<u>3</u>
French		<u>1</u>	<u>1</u>
Maths			

	General
ASDAN Sport & Fitness	Award 2
ABRS	Stable Management Certificate 1 Equitation 1 Certificate 1 Equitation 2 Certificate 1
City & Guilds	Work Based Horse Care Level 1 Certificate 1

NPG LQ						
Academic Year	English			Maths		
	EEP	MEP	NMEP	EEP	MEP	NMEP
2015/2016	29	2	3	24	3	7

Key Stage 3

NPG MQ						
Academic Year	English			Maths		
	EEP	MEP	NMEP	EEP	MEP	NMEP
2015/2016	29	2	3	24	2	8

NPG UQ						
Academic Year	English			Maths		
	EEP	MEP	NMEP	EEP	MEP	NMEP
2015/2016	27	1	6	22	1	11

Key Stage 4

NPG LQ						
Academic Year	English			Maths		
	EEP	MEP	NMEP	EEP	MEP	NMEP
2015/2016	19	3	4	16	0	10

NPG MQ						
Academic Year	English			Maths		
	EEP	MEP	NMEP	EEP	MEP	NMEP
2015/2016	19	3	4	14	2	10

NPG UQ						
Academic Year	English			Maths		
	EEP	MEP	NMEP	EEP	MEP	NMEP
2015/2016	17	2	7	12	4	10

Going Concern	<p>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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.</p>
Key Performance Indicators	<p>OUTCOMES FOR PUPILS</p> <p>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.</p> <ul style="list-style-type: none"> • 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 <p>TEACHING AND LEARNING AND ASSESSMENT</p> <ul style="list-style-type: none"> • Teaching challenges every pupil to make progress on prior learning, and achieve exceptional results over time • Teaching is personalized and informed by the highest quality assessment and feedback • Teaching engages and inspires, developing pupils 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 <p>PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE</p> <ul style="list-style-type: none"> • 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 <p>EFFECTIVENESS OF LEADERSHIP AND MANAGEMENT</p> <ul style="list-style-type: none"> • All pupils are valued and nurtured within their academy setting

	<ul style="list-style-type: none"> • 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 to account <p>Health checks and Ofsted inspections, over the last twelve months have deemed four of the schools to be operating at Outstanding, two as Good and one requiring improvement. Isaac Newton is currently the only mainstream school within the Trust. Against national benchmarks, Isaac Newton's Key Stage 2 combined results of 57% achieving the expected level, place it 4% above the national average and 14% above the average for other sponsored academies that open for two years. For further details on all Academies progress, refer to the Achievements and Performance section.</p>
Financial Review	
Financial Report for the Year	<p>The Trust held fund balances at 31 August 2016 of £12,486,229, comprising £34,977 of restricted funds, a fixed asset reserve of £20,044,960, a pension reserve deficit of £7,999,000 and £405,292 of unrestricted general funds.</p> <p>Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities. During the year ended 31 August 2016, total expenditure of £7,066,137 was less than recurrent restricted grant funding from the EFA together with other restricted incoming resources. The excess of income over expenditure for the period was £50,548.</p> <p>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, £34,977 was carried forward representing 0.7% of GAG.</p> <p>Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2016 this was 86.7% and this will be monitored in future periods.</p> <p>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 £7,999,000.</p>
Reserves Policy	<p>The Trustees Policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Trust and to fund future projects. The Trustees will ensure that the levels of reserves that can be carried forward at the end of the financial year will be in line with the guidance received from the Dfe on the treatment of GAG income and other grants. CIT will try to match income with expenditure in the current year and will only carry forward reserves that it considers are necessary for future years' expenditure having regard for:</p> <ol style="list-style-type: none"> 1. Forecasts of levels of income in future years 2. Forecasts for expenditure in future years

	<p>3. Analysis of any future development needs and opportunities that could not be met out of annual income</p> <p>4. Analysis and forecasts of cash flow and fund management</p> <p>The Trust intends to build up a prudent level of reserves for each academy over a period of time and will review the reserves level annually. The target level of reserves is two months' salary expenditure, equivalent to £1.39m and the Trust is actively working towards this. This policy is reviewed annually, to ensure it does not unnecessarily limit the amount spent on educational activities, whilst ensuring the Trust's solvency and its future activities are not at risk.</p> <p>The Trust's reserves comprise both unrestricted and restricted funds. As at 31 August 2016, the funds held in Unrestricted Reserves were £405,292 and Restricted Revenue Reserves totalled £34,977. A further £20,044,960 is held in the Restricted Fixed Asset Reserves, however, this can only be realised by disposing of the Trust's Fixed Assets. Total revenue reserves at 31 August 2016 amounted to £440,269.</p> <p>A liability of £7,999,000 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 mitigated.</p>
Investments Policy	<p>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.</p> <p>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 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.</p> <p>The charitable company's current policy is to invest surplus funds in short term cash deposits.</p>
Principal Risks and Uncertainties	<p>The principal risks and uncertainties facing the Trust are as follows:</p> <ol style="list-style-type: none"> 1. The Trust has considerable reliance on continued government funding through the EFA 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.

	<ol style="list-style-type: none"> 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.
Plans For Future Periods	<p>Having established itself as a multi academy trust, Community Inclusive Trust plans to continue to ensure an excellent provision is provided at its current academies and plans to continue to share its expertise and to develop staff training opportunities across the Trust by attracting good and outstanding schools as well as supporting other struggling schools and academies in the East Midlands.</p> <p>The Trust continually reviews needs and a clear strategic development plan has been developed and shared with the Regional Commissioner.</p>
Funds Held as Custodian Trustee on Behalf of Others	<p>The charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders.</p>
Equality and Diversity	<p>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.</p> <p>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.</p>

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

AUDITOR

Insofar as the trustees are aware:

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

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

P Boucher
Chair of Trustees

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GOVERNANCE STATEMENT

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 Executive Principal, 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.

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 7 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	7	7
G Cook	5	7
D Metcalfe	5	7
K Weekes	7	7
P Dyson	1	4
J Stanford	2	5
P Bell, Chief Executive and Accounting Officer	6	7
D Bland	1	2
N Buckingham	0	2
A Finn	0	0
C Buffham	3	3

A review of the composition of the Board, Sub-Committees and Local Governing Bodies is on-going to ensure that membership is relevant and strong in terms of governance. As a result, the Trust has recruited new directors to strengthen and complement the existing membership.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to ensure effective financial control, advise the Local Governing Bodies on risk management and have sole responsibility for the internal and external audit processes. The Accounting Officer is Peter Bell.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Cook, Chair	6	6
D Metcalfe	5	6
K Weekes	6	6
J Stanford	1	4
P Bell	3	6

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GOVERNANCE STATEMENT (continued)

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to oversee the effectiveness of the Academy Trust's financial reporting, internal controls and risk management systems.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Cook, Chair	2	2
D Metcalfe	2	2
K Weekes	2	2
J Stanford	1	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Principal 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's expenditures.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Community Inclusive Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;

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GOVERNANCE STATEMENT (continued)

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Julia Raftery Consulting Limited 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;
- Budget management and financial planning;
- Banking arrangements;
- Purchasing procedures;
- Payroll procedures;
- Asset management.

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

A full in-depth audit was carried out during the year of the existing Academies, focusing on the Central Finance and Administrative Teams. In keeping with previous years, an initial health check was carried out on the new Academies, converting on 1 March 2016. This will be extended to cover Woodlands Academy, during 2016-17, which converted on 1 August 2016, along with a full in-depth review of all newly converted Academies.

The health check provided CIT with an in-depth report of areas of concern, actions required and suggested time scales for rectification. The report was discussed with the CFO and Finance Committee and actions and time scales were agreed.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Principal 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 financial management and governance self-assessment process;
- 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 General Purpose 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

and signed on their behalf, by:

P Boucher
Chair of Trustees

P Bell
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Community Inclusive Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

P Bell
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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

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

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

and signed on its behalf by:

P Boucher
Chair of Trustees

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

We have audited the financial statements of Community Inclusive Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO COMMUNITY
INCLUSIVE TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Community Inclusive Trust and the EFA 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 the EFA, 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 AUDITORS**

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 reports.

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO COMMUNITY
INCLUSIVE TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

In forming our opinion we have considered the additional disclosure in the Accounting Officer's Statement on Regularity, Propriety and Compliance. In view of the significance of this we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

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

Date:

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Transfer from local authority on conversion	2	20,109	(2,965,000)	13,131,000	10,186,109	5,370,267
Charitable activities	3	252,697	7,116,685	19,000	7,388,382	4,676,150
Other trading activities	4	691	-	-	691	-
Investments	5	760	-	-	760	578
TOTAL INCOME		274,257	4,151,685	13,150,000	17,575,942	10,046,995
EXPENDITURE ON:						
Charitable activities		340,661	7,298,137	226,275	7,865,073	4,595,635
TOTAL EXPENDITURE	7	340,661	7,298,137	226,275	7,865,073	4,595,635
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(66,404)	(3,146,452)	12,923,725	9,710,869	5,451,360
Transfers between Funds	16	89,278	(200,006)	110,728	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		22,874	(3,346,458)	13,034,453	9,710,869	5,451,360
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(2,738,000)	-	(2,738,000)	62,000
NET MOVEMENT IN FUNDS		22,874	(6,084,458)	13,034,453	6,972,869	5,513,360
RECONCILIATION OF FUNDS:						
Total funds brought forward		382,418	(1,879,565)	7,010,507	5,513,360	-
TOTAL FUNDS CARRIED FORWARD		405,292	(7,964,023)	20,044,960	12,486,229	5,513,360

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		20,044,960		7,054,820
CURRENT ASSETS					
Debtors	14	514,838		209,816	
Cash at bank and in hand		628,697		610,111	
		<u>1,143,535</u>		<u>819,927</u>	
CREDITORS: amounts falling due within one year	15	(703,266)		(297,387)	
NET CURRENT ASSETS			<u>440,269</u>		<u>522,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20,485,229</u>		<u>7,577,360</u>
Defined benefit pension scheme liability	22		(7,999,000)		(2,064,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>12,486,229</u></u>		<u><u>5,513,360</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	34,977		184,435	
Restricted fixed asset funds	16	20,044,960		7,010,507	
		<u>20,079,937</u>		<u>7,194,942</u>	
Restricted funds excluding pension liability					
Pension reserve		(7,999,000)		(2,064,000)	
		<u></u>		<u></u>	
Total restricted funds			12,080,937		5,130,942
Unrestricted funds	16		405,292		382,418
TOTAL FUNDS			<u><u>12,486,229</u></u>		<u><u>5,513,360</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

P Boucher
Chair of Trustees

The notes on pages 40 to 65 form part of these financial statements.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>64,132</u>	<u>374,258</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		760	578
Purchase of tangible fixed assets		(85,415)	(190,792)
Capital grants		19,000	-
Cash transferred on conversion to an academy trust		<u>20,109</u>	<u>426,067</u>
Net cash (used in)/provided by investing activities		<u>(45,546)</u>	<u>235,853</u>
Change in cash and cash equivalents in the year		18,586	610,111
Cash and cash equivalents brought forward		<u>610,111</u>	<u>-</u>
Cash and cash equivalents carried forward		<u>628,697</u>	<u>610,111</u>

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Community Inclusive Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Community Inclusive Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Community Inclusive Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 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 Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

1.4 Expenditure

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

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

Charitable activities and Governance costs 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.

COMMUNITY INCLUSIVE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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 a 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.

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

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

Freehold property	-	2% straight line
Leasehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 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 Bank.

1.8 Operating leases

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

1.9 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.

1.10 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.

1.11 Liabilities and provisions

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

1.12 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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 and the assets are held separately from those of the academy.

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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from The John Fielding Special School, The Priory School, The Garth School and Woodlands Academy to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 20.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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 26.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.
- The value of long-term leasehold property transferred at The Priory School, The Garth School and The John Fielding Special School on conversion is based upon the valuation performed by FHP on 1 March 2016.
- The value of long-term leasehold property transferred at Woodlands Academy on conversion is based upon a valuation performed by the trustees on 1 August 2016.

Critical areas of judgement:

Woodlands Academy is a PFI school and the property occupied is therefore the subject of a PFI contract. The trustees have given consideration 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. The trustees have concluded that the PFI contract 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 of tangible fixed assets above.

COMMUNITY INCLUSIVE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donation from Local Authority on conversion	20,109	(2,965,000)	13,131,000	10,186,109	5,370,267

In 2015, of the total income from donations and capital grants, £426,067 was to unrestricted funds and £4,944,200 was to restricted funds

3. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,706,164	4,706,164	3,146,293
Other DfE/EFA Grants	-	696,418	696,418	422,126
	-	5,402,582	5,402,582	3,568,419
Other government grants				
Local authority grants	-	1,526,706	1,526,706	908,667
	-	1,526,706	1,526,706	908,667
Other funding				
School trips	16,630	-	16,630	11,882
Catering	33,024	-	33,024	19,067
Consultancy and staff income	113,109	-	113,109	3,530
Other income	89,934	206,397	296,331	164,585
	252,697	206,397	459,094	199,064
	252,697	7,135,685	7,388,382	4,676,150

In 2015, of the total income from charitable activities, £172,234 was to unrestricted funds and £4,503,916 was to restricted funds.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	691	-	691	-

In 2015, of the total income from other trading activities, £ *NIL* was to unrestricted funds and £ *NIL* was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	760	-	760	578

In 2015, of the total investment income, £ 578 was to unrestricted funds and £ *NIL* was to restricted funds.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. CHARITABLE ACTIVITIES

	2016 £	2015 £
DIRECT COSTS		
Wages and salaries	4,056,167	2,342,856
National insurance	323,272	147,212
Pension cost	669,011	434,956
Depreciation	14,737	9,259
Other direct costs	322,351	211,863
	<u>5,385,538</u>	<u>3,146,146</u>
SUPPORT COSTS		
Wages and salaries	824,640	494,654
National insurance	45,695	30,948
Pension costs	239,266	91,440
Depreciation	211,538	30,913
Technology costs	87,253	46,904
Premises costs	319,957	263,493
Other support costs	589,148	398,265
Governance costs	162,038	92,872
	<u>2,479,535</u>	<u>1,449,489</u>
	<u><u>7,865,073</u></u>	<u><u>4,595,635</u></u>

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	5,048,450	-	337,088	5,385,538	3,146,146
Support costs	1,109,601	319,957	1,049,977	2,479,535	1,449,489
	<u>6,158,051</u>	<u>319,957</u>	<u>1,387,065</u>	<u>7,865,073</u>	<u>4,595,635</u>

In 2016, of the total expenditure, £340,661 (2015 - £256,923) was to unrestricted funds and £7,523,412 (2015 - £4,338,712) was to restricted funds.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the trust	226,275	40,172
Auditors' remuneration - audit	10,550	5,000
Auditors' remuneration - other services	2,900	5,200
Internal audit costs	5,688	1,200
Operating lease rentals	15,370	11,631
	<u> </u>	<u> </u>

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,780,641	2,837,510
Social security costs	368,967	178,160
Operating costs of defined benefit pension schemes	908,277	526,396
	<u>6,057,885</u>	<u>3,542,066</u>
Supply teacher costs	100,166	-
	<u>6,158,051</u>	<u>3,542,066</u>

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

	2016 No.	2015 No.
Teachers	103	51
Management	16	8
Administration and Support	319	153
	<u>438</u>	<u>212</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	78	34
Management	16	9
Administration and Support	193	64
	<u>287</u>	<u>107</u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	2	1
In the band £120,001 - £130,000	1	1

The above employees participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the 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 £389,837 (2015 - £270,161).

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FOR THE YEAR ENDED 31 AUGUST 2016

10. CENTRAL SERVICES

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

- Financial services;
- Educational support services;
- Strategic leadership.

All financial services are provided for converting academies in the first year. Operational and strategic financial support is provided to existing academies.

The trust charges for these services on the following basis:

- 4.5% of GAG and agreed local authority place funding for existing academies;
- 6% of GAG and agreed local authority place funding for new academies.

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Ambergate Sports College	67,904	-
The Grantham Sandon School	62,022	-
The Isaac Newton Primary School	64,408	-
The John Fielding Special School	27,852	-
The Priory School	50,688	-
The Garth School	31,698	-
Woodlands Academy	6,493	-
	<hr/>	<hr/>
Total	311,065	
	<hr/>	<hr/>

In the prior period no central services were provided by the trust to its academies and no central charges arose.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2016	2015
		£'000	£'000
P Bell, CEO	Remuneration	125-130	<i>120-125</i>
	Pension contributions paid	15-20	<i>15-20</i>
C Buffham, staff trustee	Remuneration	35-40	<i>70-75</i>
	Pension contributions paid	5-10	<i>5-10</i>
D Bland, staff trustee	Remuneration	45-50	<i>nil</i>
	Pension contributions paid	5-10	<i>nil</i>

During the year ended 31 August 2016, expenses totalling £239 (2015 - £112) were reimbursed to 2 Trustees (2015 - 1).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,035 (2015 - £1,097).

13. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost					
At 1 September 2015	3,367,500	3,569,660	65,944	40,391	51,497
Additions	-	13,175,190	-	19,122	22,103
At 31 August 2016	<u>3,367,500</u>	<u>16,744,850</u>	<u>65,944</u>	<u>59,513</u>	<u>73,600</u>
Depreciation					
At 1 September 2015	-	2,733	16,487	8,079	12,873
Charge for the year	54,400	123,820	16,486	10,002	21,567
At 31 August 2016	<u>54,400</u>	<u>126,553</u>	<u>32,973</u>	<u>18,081</u>	<u>34,440</u>
Net book value					
At 31 August 2016	<u><u>3,313,100</u></u>	<u><u>16,618,297</u></u>	<u><u>32,971</u></u>	<u><u>41,432</u></u>	<u><u>39,160</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. TANGIBLE FIXED ASSETS (continued)

<i>At 31 August 2015</i>	<u>3,367,500</u>	<u>3,566,927</u>	<u>49,457</u>	<u>32,312</u>	<u>38,624</u>
					Total £
Cost					
At 1 September 2015					7,094,992
Additions					13,216,415
At 31 August 2016					<u>20,311,407</u>
Depreciation					
At 1 September 2015					40,172
Charge for the year					226,275
At 31 August 2016					<u>266,447</u>
Net book value					
At 31 August 2016					<u>20,044,960</u>
<i>At 31 August 2015</i>					<u>7,054,820</u>

Included in freehold property is land and buildings at valuation provided by FHP of £3,367,500. Included in leasehold property is land and buildings at valuation provided by FHP of £11,115,000 and valuation provided by the trustees of £5,531,000. The leasehold property is leased on a 125 year lease from Lincolnshire County Council.

Included in freehold and leasehold property is land amounting to £4,094,000 which is not depreciated.

The academy's transactions relating to land and buildings included:

- Land and buildings transferred from the local authority on conversion, amounting to £13,131,000;
- Outdoor classroom and sensory garden amounting to £39,815.

14. DEBTORS

	2016	2015
	£	£
Trade debtors	1,681	3,220
Other debtors	66,417	68,716
Prepayments and accrued income	446,740	137,880
	<u>514,838</u>	<u>209,816</u>

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15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	229,046	60,358
Other taxation and social security	149,120	61,782
Other creditors	65,741	-
Accruals and deferred income	259,359	175,247
	<u>703,266</u>	<u>297,387</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	54,270	-
Resources deferred during the year	68,877	54,270
Amounts released from previous years	(54,270)	-
	<u>68,877</u>	<u>54,270</u>
Deferred income at 31 August 2016	<u>68,877</u>	<u>54,270</u>

Deferred income relates to income received to various income streams received in the period which relate to the academic and financial year 2016/2017 such as Universal Infant Free School Meals income and trip income.

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	382,418	274,257	(340,661)	89,278	-	405,292
Restricted funds						
General Annual Grant (GAG)	66,343	4,706,164	(4,551,879)	(185,651)	-	34,977
Other DfE/EFA Grants	91,500	696,418	(773,563)	(14,355)	-	-
Local Authority Grants	-	1,442,427	(1,442,427)	-	-	-
Other Restricted Funds	26,592	271,676	(298,268)	-	-	-
Pension reserve	(2,064,000)	(2,965,000)	(232,000)	-	(2,738,000)	(7,999,000)
	<u>(1,879,565)</u>	<u>4,151,685</u>	<u>(7,298,137)</u>	<u>(200,006)</u>	<u>(2,738,000)</u>	<u>(7,964,023)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Transfer from Local Authority on conversion	6,898,775	13,131,000	(182,412)	-	-	19,847,363
Capital expenditure from GAG	3,397	-	(16,932)	110,728	-	97,193
Other government grants	44,231	-	(11,192)	-	-	33,039
Other activities	64,104	19,000	(15,739)	-	-	67,365
	<u>7,010,507</u>	<u>13,150,000</u>	<u>(226,275)</u>	<u>110,728</u>	<u>-</u>	<u>20,044,960</u>
Total restricted funds	<u>5,130,942</u>	<u>17,301,685</u>	<u>(7,524,412)</u>	<u>(89,278)</u>	<u>(2,738,000)</u>	<u>12,080,937</u>
Total of funds	<u>5,513,360</u>	<u>17,575,942</u>	<u>(7,865,073)</u>	<u>-</u>	<u>(2,738,000)</u>	<u>12,486,229</u>

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 Trust from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Transfer from Local Authority represents the buildings and assets transferred to the Trust from the Local Authority upon conversion.

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

Other government grants represents other EFA and local authority funding transferred from restricted funds.

Other activities represents fixed asset expenditure transferred from other 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 Trust.

Other DfE/EFA Grants represent other restricted funding which does not form part of the GAG funding.

Local Authority Grants represents restricted funding received from the local authority towards the running costs of the Trust.

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

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

Transfers between funds represent recurrent income being used to fund capital expenditure as well as covering over-spends on catering.

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
Ambergate Sports College	287,924	321,290
The Grantham Sandon School	115,098	162,455
The Isaac Newton Primary School	59,238	59,379
The John Fielding Special School	40,796	-
The Priory School	(84,234)	-
The Garth School	(36,954)	-
Woodlands Academy	65,873	-
Central Services	(7,472)	23,729
Total before fixed asset fund and pension reserve	<u>440,269</u>	<u>566,853</u>
Restricted fixed asset fund	20,044,960	7,010,507
Pension reserve	(7,999,000)	(2,064,000)
Total	<u><u>12,486,229</u></u>	<u><u>5,513,360</u></u>

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

Name of academy	Amount of deficit £
The Priory School	(84,234)
The Garth School	(36,954)
Central Services	(7,472)

The Garth and Priory School deficits are largely due to deficit and lower than expected carry forwards from Lincolnshire County Council which are being disputed.

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

All Trust budgets are being reviewed as part of a detailed bottom-up reforecasting and budgeting exercise planned in 2016/17. Any short term deficits will be funded by the Trust reserves and repaid in subsequent years from Schools surpluses. The Trust's medium term financial projections continue to show healthy reserves are being maintained.

The small deficit against Central Services is due to additional set up costs. This is expected to turn to a surplus as the MAT expands.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding dep'n £	Total 2016 £	Total 2015 £
Ambergate Sports College	1,147,110	382,466	33,869	220,775	1,784,220	1,650,866
The Grantham Sanson School	1,006,921	240,187	55,593	213,444	1,516,145	1,555,272
The Isaac Newton Primary School	1,308,377	128,826	62,237	294,017	1,793,457	1,282,677
The John Fielding Special School	431,313	68,725	10,958	47,272	558,268	-
The Priory School	662,531	97,231	29,520	91,824	881,106	-
The Garth School	480,911	47,885	10,499	56,224	595,519	-
Woodlands Academy	97,798	3,268	3,994	3,663	108,723	-
Central services	11,043	34,758	1,880	228,679	276,360	70,649
	<u>5,146,004</u>	<u>1,003,346</u>	<u>208,550</u>	<u>1,155,898</u>	<u>7,513,798</u>	<u>4,559,464</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	20,044,960	20,044,960	7,054,820
Current assets	484,753	658,782	-	1,143,535	819,927
Creditors due within one year	(79,461)	(623,805)	-	(703,266)	(297,387)
Provisions for liabilities and charges	-	(7,999,000)	-	(7,999,000)	(2,064,000)
	<u>405,292</u>	<u>(7,964,023)</u>	<u>20,044,960</u>	<u>12,486,229</u>	<u>5,513,360</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	9,710,869	5,451,360
Adjustment for:		
Depreciation charges	226,275	40,172
Dividends, interest and rents from investments	(760)	(578)
Increase in debtors	(307,473)	(209,816)
Increase in creditors	408,330	297,387
Capital grants from DfE and other capital income	(19,000)	-
Defined benefit pension scheme cost less contributions payable	111,000	112,000
Defined benefit pension scheme finance cost	121,000	54,000
Net (loss) on assets and liabilities from local authority on conversion	(10,186,109)	(5,370,267)
Net cash provided by operating activities	64,132	374,258

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	628,697	610,111
Total	628,697	610,111

20. CONVERSION TO AN ACADEMY TRUST

On 1 March 2016 The John Fielding Special School, The Priory School and The Garth School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Community Inclusive Trust from Lincolnshire County Council for £nil consideration.

On 1 August 2016 Woodlands Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Community Inclusive Trust from Lincolnshire County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

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20. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	13,131,000	13,131,000
Budget surplus/(deficit) on LA funds	(54,960)	-	-	(54,960)
Budget surplus/(deficit) on other school funds	75,069	-	-	75,069
LGPS pension (deficit)	-	(2,965,000)	-	(2,965,000)
Net assets/(liabilities)	<u>20,109</u>	<u>(2,965,000)</u>	<u>13,131,000</u>	<u>10,186,109</u>

The budget surplus on LA funds represents accrued income for the three schools converting on 1 March 2016. The transferring deficit is being disputed with Lincolnshire County Council and once finalised will be adjusted in the financial statements for the year ended 31 August 2017. The transferring funds for Woodlands Academy are yet to be confirmed at the date of approval of the annual report and financial statements.

21. CONTINGENCIES

The surplus on LA funds at conversion for Woodlands Academy is yet to be confirmed. The amount of the surplus cannot be reliably identified at the date of approval of the financial statements and accordingly a contingent asset is disclosed in respect of this.

The academy had no contingent liabilities at 31 August 2016.

In the event of Community Inclusive Trust ceasing to operate as an academy trust, provisions are included in the funding agreement relating to clawback of assets and monies paid to the trust.

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £62,141 were payable to the schemes at 31 August 2016 (2015 - £nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January

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22. PENSION COMMITMENTS (continued)

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £426,518 (2015 - £190,644).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £538,000 (2015 - £296,000), of which employer's contributions totalled £418,000 (2015 - £228,000) and employees' contributions totalled £120,000 (2015 - £68,000). The agreed contribution rates for future years are 19.9% for employers and various % 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

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

Department for Education. The guarantee came into force on 18 July 2013.
Lincolnshire Pension Fund

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.60 %	4.10 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %
Commutation of pensions to lump sums	63.00 %	63.00 %

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.4	24.4
Retiring in 20 years		
Males	24.5	24.5
Females	26.8	26.8

The trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,126,000	721,000
Debt instruments	359,000	125,000
Property	276,000	116,000
Total market value of assets	<u>2,761,000</u>	<u>962,000</u>

The actual return on scheme assets was £56,000 (2015 - £16,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(529,000)	(340,000)
Net interest cost	(121,000)	(54,000)
Total	<u>(650,000)</u>	<u>(394,000)</u>

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22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,026,000	-
Current service cost	529,000	340,000
Interest cost	177,000	97,000
Contributions by employees	120,000	68,000
Actuarial losses/(gains)	3,036,000	(89,000)
Fair value of defined benefit obligation transferred to the academy upon conversion	3,872,000	2,610,000
	<u>10,760,000</u>	<u>3,026,000</u>
Closing defined benefit obligation	<u>10,760,000</u>	<u>3,026,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	962,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	56,000	43,000
Actuarial gains and (losses)	298,000	(27,000)
Contributions by employer	418,000	228,000
Contributions by employees	120,000	68,000
Fair value of pension scheme assets transferred to the academy upon conversion	907,000	650,000
	<u>2,761,000</u>	<u>962,000</u>
Closing fair value of scheme assets	<u>2,761,000</u>	<u>962,000</u>

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23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Land and Buildings - Amounts payable:		
Within 1 year	267,862	9,442
Between 1 and 5 years	1,022,057	5,833
After more than 5 years	2,795,188	-
Total	<u>4,085,107</u>	<u>15,275</u>
Other - Amounts payable:		
Within 1 year	30,479	2,715
Between 1 and 5 years	25,313	4,838
Total	<u>55,792</u>	<u>7,553</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 trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

T Ellis, director of Virsco Limited, is a family relation to both Principal in charge at Ambergate and Principal in charge at Sandon. Transactions during the period amount to £50,505 (2015 - £34,200) with no amounts outstanding at the year end (2015 - £683). All staff appointments through Virsco Ltd have been made following a detailed selection process and value for money exercise. The staff were deemed to demonstrate the highest level of expertise and experience to meet the needs of pupils, in a special needs setting, and provide a significant cost saving and flexibility to the Trust.

Trustees' remuneration is disclosed in Note 11.

26. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £3,636 and disbursed £3,636 from the fund.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 4 June 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.