
COMMUNITY INCLUSIVE TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Boucher S Paley J Jackson S Moore I Burford (appointed 9 March 2020)
Trustees	S Hopkins, Chair of Trustees K Weekes K Goodman L McClements S Maycock P Bell, Chief Executive and Accounting Officer R Sharpe (appointed 19 January 2020) K Rouse (appointed 19 January 2020) K Platts (appointed 1 June 2020) H Drew-Bradley (appointed 24 June 2020) J Storey (appointed 24 June 2020) B Steele (appointed 24 June 2020)
Company registered number	09071623
Company name	Community Inclusive Trust
Principal and registered office	Poplar Farm School Helmsley Road Grantham Lincs NG31 8XF
Chief executive officer	P Bell
Senior leadership team	P Bell, CEO C Buffham, Director of Education (Special Educational Needs) P Hill, Director of Education (Mainstream Primary) M Allbones, Chief Financial Officer D Bland, Director of Governance and Operations A White, Director of People and Performance
Independent auditors	Streets Audit LLP Windsor House A1 Business Park at Long Bennington Notts NG23 5JR

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers	Lloyds Bank PLC 42 St Peters Hill Grantham Lincs NG31 6QF
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

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CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

CIT's Annual Report and Financial Statement provides the opportunity for me as the CEO to share the successes, as well as the challenges, faced in 2019-20.

As with all walks of life, Covid-19 has had an unprecedented impact on the operations of CIT. I am extremely proud of how the staff and pupils have faced into and tackled the challenges presented by the pandemic. All schools remained open to the children of key workers where practical throughout the remainder of the Spring/Summer terms and through the duration of the Easter holidays. I would like to thank all staff across CIT for their dedication during a time where they not only committed to work, but were under significant strain placed upon them through lockdown restrictions. I would also like to take this opportunity to thank Trustees and Local School Boards for the support they have provided to the Executive Leadership Team of CIT and individual schools.

During 2019-20 St Paul's Community Primary School joined CIT on a Directed Academy Order in February 2020. CIT were also named as sponsors for Linchfield Community Primary School, who have joined us on 1 September 2020. In January 2020 CIT were also named as sponsor of West Gate Academy, Leicester (conversion date to be confirmed). I am also delighted that CIT were selected to open two SEMH special Free Schools within Leicestershire. I would like to thank Leicestershire County Council and the members of CIT who have worked so hard to facilitate the opening of Foxfields Academy, the first of the Free Schools, which opened in September 2020. I also believe that from announcement to the likely opening date it is the fastest opening of a Free School. Bowman Academy, the second of the SEMH Free Schools, is due to open in 2023.

I would normally share with you the exam successes of our primary schools. Unfortunately, as everybody is aware, the SATs were cancelled. Across our special schools I am delighted to say that students were able to still be awarded the qualifications they deserved through their hard work to support them in their future lives. The dedication of two of our special schools was recognised by Ofsted in 2020, with Greenfields Academy retaining its Good grade and The Priory School moving from Good to Outstanding.

Significant financial investment across our schools has continued, with eight new classrooms being completed at Ambergate Sports College, five new classrooms due to be completed and a refurbishment at The Garth School, and by no means least, the groundworks and initial structures are in place at the new site for John Fielding Special School (to be renamed Boston Endeavour Academy). The new school will increase capacity from approximately 60 pupils to close to 140. This school is due to open in the Autumn of 2021.

LEARN, CIT's Teaching School, has continued to work in partnership with Lincolnshire Teaching Schools Together (LTT) to deliver school-to-school support across the county and beyond. The Trust's intention is for LEARN to apply to become a Teaching School Hub. Applications are due to be submitted early in the Autumn term, with announcements of successful bids early in 2021.

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CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

CIT operates a pooled budget and we are delighted that through careful financial management and monitoring we have been able to meet the needs of our schools, as well as register a surplus that moves the Trust's reserves to approximately 5% of income, which is a target set out in the Trust's Financial Policies. The Finance Team and the rest of the Support Hub have also continued to work diligently through these unusual circumstances and I would like to thank them personally for ensuring all the services that underpin the hard work and successes in the schools have continue to run smoothly. I would also like to celebrate a member of the Finance Team achieving the status of DfE-accredited School Resource Management Adviser.

CIT submitted a successful bid to the Department for Education for Trust Capacity Fund (TCaF) funding. This funding has supported a review of governance across the Trust, as well as appropriate training; the funding has also enabled a significant proportion of the leadership talent across CIT to take part in a comprehensive coaching programme. I am confident that both these initiatives have supported and driven extensive improvement in the quality of provision, as well as CIT's capacity to offer support to other organisations.

Through fundraising CIT continues to attract significant funds from external sources such as charities. These funds have contributed to minibuses, sensory rooms, Trim Trails, Forest Schools and bespoke equipment that enhance the care and education of pupils across CIT.

The Chief Executive Officer presents his statement for the year.

.....
P Bell

Date:

COMMUNITY INCLUSIVE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Community Inclusive Trust (CIT) has continued to grow, primarily through the successful conversion of schools into the Trust. The most recent school to convert into the Trust was St Paul's Community Primary School (February 2020). The Trust warmly welcomes the school into the Trust and continues to strengthen working relationships through co-operation and pooling of resources.

In addition, during the period 2019/20 conversion work has been ongoing to convert Linchfield Community Primary School, in Deeping St James. Free School opening work for Foxfields Academy in Leicestershire has also been pursued vigorously. Both schools joined the Trust on 1 September 2020.

As at 31 August 2020 the Trust comprised of the following schools and GAG funded pupils on roll:

- Ambergate Sports College (142)
- Sandon School (75)
- Isaac Newton Primary School (415)
- The Garth School (55)
- The Priory School (135)
- John Fielding Special School (59)
- The Woodlands Academy (71)
- Chapel St Leonards Primary School (167)
- Caythorpe Primary School (107)
- Greenfields Academy (53)
- Poplar Farm Primary School (49)
- St Paul's Community Primary School (210)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Members' liability

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

Trustees' indemnities

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.

Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association the Members may appoint up to 9 Trustees through such a process as they may determine. The Trustees may appoint Co-opted Trustees through such a process as they may determine. The total number of Trustees including the Chief Executive Officer 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 Chief Executive Officer. 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 and experience 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 others who have shown interest in the future wellbeing of the Trust, the Academies within the Trust and the pupils. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within the East Midlands and through Academy Ambassadors.

Policies adopted for the induction and training of Trustees

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Trust and its Academy(ies), for holding the CEO to account for the performance of the Trust and its academies, and for the overview and assurance of the work of the Trust.

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

Each CIT Academy has a Local School Board which operates within Terms of Reference which document and define the objectives and the scope of the responsibilities they undertake on behalf of the Trust Board.

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

The day-to-day management of the Trust rests with the Chief Executive Officer who holds overall responsibility. The CEO is responsible for establishing an Executive Leadership Team, which includes certain senior members of staff within the Trust. The Executive Leadership Team is responsible for ensuring the strategic direction is maintained in addition to achieving operational effectiveness. In addition, an Educational Standards team has been established which includes both Directors of Education, Academy Head Teachers, Deputy Head Teachers and Assistant Head Teachers. Through CIT's established School Health Check process the Educational Standards team considers and evaluates the performance of CIT schools and reports on the effectiveness of teaching and learning. The team considers the aims and priorities for raising standards of achievement.

The Chief Executive Officer has delegated authority to appoint, discipline and dismiss with the exception of the most senior members of staff for whom the full Board holds authority. Financial authority is delegated in line with the Scheme of Delegation, the Financial Management Policy and Financial Operating Procedures Handbook. The Trust Board review the Scheme of Delegation, the Financial Management Policy and Financial Operating Procedures Handbook at least every year to ensure they meet the provisions of the Academies Financial Handbook, as well as support operational functionality. Financial and business decisions are conducted in line with the Academies Financial Handbook 2020 and in accordance with the Trust policy and best practice.

Executive Leadership Team

CIT has adopted an operating structure whereby each Academy is run by a substantive Headteacher and supported by a Director of Education for either mainstream or special. The model creates a supportive structure which utilises the expertise of senior teaching staff and ensures the values of the Trust are maintained.

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

CIT believes in sharing best practice with other schools in order to achieve higher educational standards across the county.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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

1. The Local School Board 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 honesty in the best interests 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.

Arrangements for setting pay and remuneration of key management personnel

A Remuneration, Performance Management and Nominations Committee was established in order to set the pay and performance conditions of the CEO and other senior members of staff. The CEO is the only staff Trustee who is remunerated and only receives remuneration in respect of services provided under his contract of employment and not in respect of his role as Trustee.

For all staff, their remuneration package is subject to CIT's Pay Policy. Currently, the teachers' statutory pay and conditions are used to benchmark teaching and senior teaching staff, with exceptions being approved by the Trust Board. All staff undergo an annual performance appraisal. This is linked to any performance related pay awards. For non-teaching staff, the Trust uses Lincolnshire and Leicestershire County Council's salary structure. Central staff are remunerated within their given salary range.

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 of State for Education. Therefore, through benchmarking the Trust ensures that the remuneration paid to senior leaders never exceeds a reasonable amount that provides value for money for the Trust.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	14,526,349	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Related parties and other connected charities and organisations

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (including disabled persons)

The Community Inclusive Trust values the views and opinions of all employees. Information is routinely shared with staff via the CIT staff Intranet and regular newsletters. Important communication regarding matters of concern to employees are distributed directly via email or via the Head of each school and delivered at staff meetings, morning briefings or debriefs.

A staff wellbeing and workload survey has recently been developed and rolled out to all staff within the Trust. The purpose of the survey is to assess the overall wellbeing and provide an opportunity for employees to give feedback about the Trust, how it is managed and the opinions of their work life balance. Employees who leave the Trust are also encouraged to complete an exit interview. The information from these processes is collated and will be used to shape the future decision making of the Trust.

CIT share their vision and ethos with all employees on the website, during training sessions and inset days.

CIT provide a fair and equal opportunity to work within the Trust and are fully committed to providing a fair recruitment process for all potential candidates. CIT are dedicated to providing employment for disabled people. This means we will not unfairly discriminate against a candidate with a disability or an employee that becomes disabled whilst working for the Trust.

CIT publicise this commitment through becoming a Two Tick Disability Symbol User. This standard relates to the way we treat disabled candidates and employees, supporting disabled people to work and stay in work. Any disabled person who meets the essential criteria on the Person Specification will be guaranteed an interview.

CIT operates an Operational Health Referral system which will assess the needs and requirements of employees with a disability. This is intended to identify and recommend any potential adjustments that can be made to working environments or terms and conditions to support our staff.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with suppliers, customers and others in a business relationship with the Academy

In the twelve-month period September 2019 to August 2020 the Trust went through an unprecedented period of change. St Paul's Community Primary School and Nursery converted in February 2020, the conversion of Linchfield Community Primary being delayed from April 2020 until the start of the following academic year and the Covid pandemic causing remote working to be enacted for the whole central team, as well as a large portion of school support staff for the second half of the academic year. This brought with it challenges, not just for the continued education of the pupils in the Trusts' care, but the ability to maintain effective communication with the suppliers that service the Trust and all the schools within it.

During the second half of 2019/20 the Trust had begun to look at creating a strategic procurement plan as well as looking at possible restructures within the Central Service Hub to place individuals in positions to assist with the management of contracts and suppliers for the Trust as a whole, to look at spend and analyse possible areas where the Trust could realise economies of scales while increasing quality of goods and services.

Several suppliers were already in place looking after Trust wide services with the following in place:

- Annual face to face meetings with Account Managers (PSF and ESPO) were held at the start of the academic year to foster continued good relations, negotiate prices, discounts and contracts that best suited the Trust;
- Monthly data sent for analytics of spend and usage;
- Annual product reviews of goods and services required to maintain high levels of quality.

A strategic procurement plan for the Trust for the three-year period starting September 2020 was submitted to the Trust Board and approved in principle. It looks at the requirements of the Community Inclusive Trust family of schools, it looks to build on relationships already in place and the creation of new ones in order to understand how suppliers can assist the Trust with their educational and operational requirements through a unified Trust wide procurement practice. The fostering of increased relations will bring with it the ability to identify areas of overspend, non-required purchases, holes in requirement, missed opportunities and help to increase the quality of goods and services purchased. Better relations increase a suppliers' feeling of personal investment in the Trust that in turn brings personal touches and gratis work as they wish for the Trust to succeed in their vision "to make the Community Inclusive Trust a MAT of opportunity, of quality, of value, where young people are happy, healthy and achieving".

On 1 September 2020 the Financial Analyst was promoted into the role of Procurement and Analytics Manager and moved from the Finance team to report to the Director of Governance and Operations and work alongside the Estates Manager. Supplier engagement is one of the main priorities of the Trust and during the twelve-month period from September 2020 to August 2021 the following are planned to be implemented in order to increase the engagement and continue to cultivate better relations:

- Consolidation of a centralised contracts register. This will facilitate a smoother working relationship and promote earlier engagement at the end of the life of a contract so tendering and negotiations can be effectively managed. It will ensure that contracts are not left to roll over, which can be a cause of contention and friction within business relationships;
- Introductions by the Procurement and Analytics Manager to Account Managers with companies servicing schools and the Trust;
- Annual face to face meetings (possibly virtual in light of Covid), but increasing if required should service and/or quality be below standards expected and agreed;
- Termly meetings with Account Managers to discuss how suppliers have performed over the four previous months with regards to services, quality and performance. These meetings will be via Teams (or other suitable online video calling platform) and increased as required. Face to face meetings/calls as opposed to voice only calls supports a more personalised relationship through increased stakeholder engagement;

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- Monthly information/data analytics reviews, quarterly service level feedback, bi-annual reports, annual service and contract reviews with all major suppliers. These shall be agreed at the onset of contractual relations through SLAs, pre-agreed KPIs and data reviews using data dashboards and Excel;
- Annual completion of Declaration of Business and Pecuniary Interest forms by suppliers for suppliers that receive more than a one off or contractual spend of £10k (amount to be confirmed). Investigations are being made as to having this available online to continue the Trust's drive to be more environmentally friendly and reduce paper usage/waste;
- Set up of approved supplier list for suppliers that receive more than a one off or contractual spend of £25k. This is to ensure suppliers adhere to the following Trust Policies and statements:
 - o Ethical Procurement
 - o Anti-Money Laundering
 - o Modern Day Slavery
 - o Workplace equality
 - o Section 36 of the Staff Handbook concerning Equal Opportunities
 - o Environmental Statement
- Formal tenders for all areas of spend of £50k or more (one off or contractual spend) in line with OJEU and UK legislation for public sector procurement;
- Compliance with the Freedom of Information Act for public sector procurement.

All the above are designed to engage the supplier in open discussions, encourage free movement of information that is not at the detriment of the Trust, encourage ownership of mistakes for mutual beneficial resolutions, highlight areas of high achievement and quality and be honest about requirements from the outset of relations.

OBJECTIVES AND ACTIVITIES

Objects and aims

Community Inclusive Trust is an education charity and not-for-profit sponsor of mainstream primary schools and special needs schools across the East Midlands. Our schools enhance the education provision of the community they serve and improve the life chances of the pupils who attend CIT's schools.

We strive to be experts in our respective fields in order to create a first-class infrastructure that supports and drives the highest standards in education and care. We provide the most enriching educational environment for all of our community to enable outstanding lifelong learning.

Our collective endeavour is to be an organisation that:

- Is recognised as a Centre of Excellence for inclusive community education for learners with a broad range of needs, aptitudes and ambitions;
- Supports and challenges a balanced community of schools and provision so that they can secure the very best quality of education and care for all children and young people;
- Has a "Central Hub" that is strategic and provides schools with expertise and advice;
- Provides all staff and Governors opportunities for personal and professional growth, career enhancement and a sense of worth;
- Is operationally efficient and structurally fit for purpose so that financial and other resources drive the highest level of achievement and care across CIT;
- Is able to keep pupils and staff safe.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

To meet the Trust's objectives and aims, the following strategic priorities for 2020/21 have been approved:

Leadership

- To develop the role of Local School Boards
- To develop trust leaders – including those involved in governance

Standards

- To ensure that all pupils in CIT schools have access to high quality of education

Engagement

- To ensure effective engagement with stakeholder groups to assist with delivery of strategy, to remain transparent, engaged and ready for change.
- To develop a strategy that supports staffing and performance across the trust

Support Hub

- To ensure long terms financial and operational sustainability of the trust

Venture

- To grow the trust to meet the needs of the local community
- To ensure that the trust continues to support lifelong learning for all

Public benefit

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

Achievements and performance

Monitoring Support and Challenge

In 2019/2020 CIT has maintained its track record for School Improvement. All schools that have been inspected by Ofsted have maintained or improved their grading. The current gradings are as follows:

School	School Type	Ofsted Grade
Ambergate	Special	Outstanding
Caythorpe	Primary - mainstream	Good
Chapel St Leonards	Primary - mainstream	No designation - sponsored
Garth	Special	Outstanding
Greenfields	Special	Good
Isaac Newton	Primary - mainstream	Good
John Fielding	Special	Good
Poplar Farm	Primary - mainstream	No designation - free school
Priory	Special	Outstanding
Sandon	Special	Outstanding
St Paul's	Primary - mainstream	No designation - sponsored
Woodlands	Special	Outstanding

As a Trust we are exceptionally proud of the grades that each school has achieved. This is a reflection of the hard work, commitment and strategic planning of school leaders, staff, Local School Boards, parents and, most importantly, pupils. The Trust's own moderation of the schools has matched that of Ofsted showing that the internal evaluation methods are accurate.

Three additional schools have joined the Trust: Foxfields, St Paul's Spalding, Linchfield Primary. This is in line with the Trust's expansion plan and capacity has been assured through TCAF funding and appointments prior to growth. Again, the Ofsted reports within year show the Trust's continuing capacity to expand.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Key performance indicators

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

- Pupils to achieve targets and to ensure all measures are rapidly increasing to, or, above the national averages;
- Students to be provided with a curriculum to maximise their progress towards qualification success, further study and employability;
- Ensure that the curriculum offer has clear hierarchical objectives, maintains breadth and increase rates of progress.

Statutory Results

Owing to the Coronavirus the Trust is unable to report the following:

- KS2 SATs results
- KS1 SATs results
- Times table results
- Phonics results
- EYFS Good Level of Development statistics

CIT SCHOOLS GCSE RESULTS 2020

Subject	School	Grade 9	8	7	6	5	4	3	2	1
Eng Lang	AMB				1	5	2			
	GRE						1	2	1	
	WDL			1		1	1	4	1	
Eng Lit	WDL		1			1	2	3	2	
English	PRI			1	2					
	AMB			1	1	3	2	1		
Maths	PRI					2	1	1		
	GRE					2	1	1	3	
	WDL						1	6	1	
	AMB				1	1	3	1	1	
Statistics	AMB					3	4			
Geography	AMB									
	GRE								1	
	AMB				1	1	4	1	1	
History	GRE							1		
	WDL					3				
Art	WDL					2	1	2		
Biology	WDL									1

Subject	School	Grade 5-5	5-4	4-4	4-3	3-3	3-2	2-2	2-1
Double Science	AMB	1	1	2	1	1	2		
	GRE			1	1	1		1	4

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Covid Impact and Response

Whilst all CIT schools remained open to vulnerable and key worker children during the national lockdown, there has been a significant impact on the progress that pupils are making. The Trust's schools responding quickly to the crisis mitigating the lost learning and potential safeguarding issues in the following ways:

- Guidance was followed and all schools opened to key worker and vulnerable children throughout – many staying open through school holidays;
- Communication with homes was established rapidly such that work could be provided for all pupils. This has evolved as schools returned in full in September – each school will have a distance learning plan by the end of September clarifying the measures to be taken should children miss school due to Covid-19;
- Headteacher meetings for mainstream and special Heads were established immediately, allowing best practice to be shared and creating a moderation process for measures put into place;
- Risk assessments were created and signed off by the Trustees for each school;
- Mainstream schools welcomed back pupils in Year 6, 2 and EYFS on the date set by the Government;
- Training was put into place to ensure that staff understood the protocols for their return;
- Training to ensure that staff understood ways in which to aid pupils with their wellbeing was created prior to the pupils' full return;
- Protocols were swiftly established such that families of vulnerable pupils were always in contact with school and risk was assessed in partnership with Social Services;
- Covid-19 logs were established so that the central team and Trustees were able to monitor any changes or breaches in protocol.

Going concern

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

Reserves policy

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 year's expenditure having regard for:

1. Forecasts of levels of income in future years;
2. Forecasts for expenditure in future years;
3. Analysis of any future development needs and opportunities that could not be met out of annual income;
4. Analysis and forecasts of cash flow and fund management.

The Trust intends to build up a prudent level of reserves over a period of time and will review the reserves level annually. The target level of reserves is a minimum of 3.5% of the gross income of the schools within the Trust with an aim to increase this to 5% over the next 3 years. 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.

The Trust's reserves comprise both unrestricted and restricted funds. As at 31 August 2020, the funds held in Unrestricted Reserves were £970,448 and Restricted Revenue Reserves totalled £353,445. A further £47,490,869 is held in the Restricted Fixed Asset Reserves; however, this can only be realised by disposing of the Trust's Fixed Assets.

A liability of £14,133,000 is shown in the Trust's balance sheet in respect of the Local Government Pension Scheme. The Trust 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 Trust is that if the deficit increases, so too will the amount of pension contributions the Trust is required to make. However, this risk may be mitigated by any future proposed reform of the pension scheme. The Trust combined its pension schemes during the year so that one employer rate is now used for its existing Academies. The Trust maintains five-year financial plan which considers various funding scenarios and how these can be managed and planned for. The Trust's Risk Management Policy requires the Trustees to assess the major risks to which the Trust will be exposed and consider how the risks can be managed and mitigated.

Investment policy

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

The Academy Trust can invest surplus funds where the return is higher than that of a normal current deposit account. Apart from funds transferring to a current deposit account, all investment decisions are decided by the Finance, Audit & Estates Committee and Trustees in line with its Treasury Management Policy. 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.

COMMUNITY INCLUSIVE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

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

Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those related to teaching, governance, operations, legal, property, finance, commercial, people, technology, information and safeguarding. Systems or procedures have been established to manage those risks and a risk register is maintained and reviewed regularly.

The Trust produces an annual Governance Statement. Internal control systems and exposure to risks are considered in relation to all activities and legislation discussed during weekly leadership and termly Trustees' meetings. Risk management is embedded into the day-to-day processes of the Academy Trust. Principal risk areas for the Trust are the protection of pupils, employees and assets. Systems and procedures to minimise these are constantly reviewed and updated.

The principal risks are:

1. Covid-19: The Trust has rapidly developed effective approaches and responses to the Covid-19 situation. This has ensured the quality of education, teaching and care remain of the highest standards during the pandemic. That said, the situation still presents many risks and uncertainties, including pupil and staff health and emotional wellbeing, remote learning engagement and access, the vulnerability of many of our pupils with SEND and staff professional development, all of which are kept under constant review with mitigations established and amended as required.
2. Reducing income and financial risk: The Trust has considerable reliance on continued Government funding through the ESFA and whilst the current level of funding is expected to continue, there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same level or the same terms. The Trust has appointed internal auditors to carry out checks on financial systems and records as required by the Academies Financial Handbook.
3. Failure to adhere to statutory requirements and unclear accountabilities: The Trust has rigorously pursued a review of its governance framework to further mitigate against failures in governance, management and in particular the risk that arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc.
4. A decline in the staffing quality and capacity: 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. 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.
5. Overtrading: Converting schools at too fast a pace leading to insufficient educational and central hub support.
6. Property risks: Arising from property deficiencies and poorly designed or ineffective safety management.

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.

COMMUNITY INCLUSIVE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

The Trust held fund balances at 31 August 2020 of £34,681,762, comprising £353,445 of restricted funds, a fixed asset reserve of £47,490,869, a pension reserve deficit of £14,133,000 and £970,448 of unrestricted general funds.

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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, £185,894 was carried forward representing 1.8% of GAG.

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 Trust balance sheet shows a net liability of £14,133,000.

COMMUNITY INCLUSIVE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

Approach

CIT Academies' approach to fundraising is two-fold:

1. Written grant applications to potential funders

These applications are written and managed by the Support Hub Fundraising Team on behalf of individual schools. School projects are assessed by need and impact on pupils.

This funding stream is seen by CIT as essential to provide pupils across the Trust with extended enrichment, to complement the national curriculum and to offer pupils a broad and balanced education.

2. Online school donation campaigns.

Protection of the public

CIT Academies sometimes run individual school donation campaigns online for specific projects. These campaigns are non-intrusive and leave the onus up to the individual as to whether they would like to donate and support or not. No pressure is involved in donation campaigns, they are simply posted out on individual school social media pages.

Fundraising Complaints

To date, the Trust has not received any form of complaint regarding its fundraising approaches since its fruition in September 2014. This is monitored by the Head of Communications & Fundraising for the Trust.

Covid-19 Impact

The pandemic has impacted on fundraising efforts for the Trust*, both with reduced income through online donations (to be expected), but more so through grant applications already submitted. Decisions were made by almost all funders that applications would be put on hold until post the pandemic. For new applications, only Covid-related projects are currently being accepted.

Fundraising Revenue 2019/2020

During the academic year 2019/2020, CIT successfully raised £80,000. This funding was used to implement the following projects:

- Playground equipment and markings;
- Breakfast Clubs;
- Outdoor learning;
- Sensory equipment;
- Library books;
- Communication switch resources.

*The previous academic year the Trust sourced over £138,000 of funding for school projects.

COMMUNITY INCLUSIVE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption used to calculate emissions (kWh)	3,025,631
Energy consumption breakdown (kWh):	
Gas	1,872,636
Electricity	859,641
Transport fuel	183,750
Other sources	31,084
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas and oil consumption	342.71
Owned transport	55.89
Total scope 1	398.60
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	200.42
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	17.81
Total gross emissions (in tonnes of CO2 equivalent):	616.83

The Academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector. The intensity ratio is 0.39 tonnes of CO2 equivalent per pupil.

This marks the first year the Trust has been required to report on both its energy consumption and its plans to improve its energy efficiencies. Prior to 19/20 the Trust had not applied any formal improvement measures or strategy. Individual schools will have run energy saving projects with pupils and all will have endeavoured to not waste energy unnecessarily. Trust-wide energy consumption and efficiency saving will now become an annual pillar within the overarching estates strategy.

The Trust has three key action statements for the forthcoming academic year:

- We plan to conduct an energy audit across our Academies and understand the actions we need to take to reduce our carbon footprint;
- We are looking to move all our servers to the Cloud by September 2021;
- Where planned building and re-roofing projects are scheduled, we plan to install solar thermal panels onto those Academies during the course of the year.

COMMUNITY INCLUSIVE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

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

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

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

In 2024 when CIT delivers its strategy and achieves its mission, it will be an organisation:

- With a governance and leadership structure that drives “Life Long Learning”;
- That has the capacity to be self-supporting, with the educational and business expertise which can lead and challenge its own schools;
- With a reputation for being an efficiently operating organisation that provides outstanding provision, which is not only respected and trusted by the community CIT serves, but allows CIT to drive and influence policy locally and nationally;
- With a Teaching School that develops resource and directs it internally and externally to drive “lifelong learning for all”;
- Operating across the East Midlands;
- With an annual turnover of at least £30 million;
- With the economies of scale that allows the Central Support Hub to be financially efficient and provide high quality services that are valued and trusted by the community and schools they serve;
- With a mixture of inclusive mainstream and special schools operating in geographic clusters of four plus schools, sharing resources and providing pupils with an education that best suits their personal learning needs.

Enhancement mentoring

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

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

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

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

Funds held as custodian on behalf of others

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

COMMUNITY INCLUSIVE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Employee involvement and employment of the disabled

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

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

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

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

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

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

.....
S Hopkins
Chair of Trustees

COMMUNITY INCLUSIVE TRUST
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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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Community Inclusive Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

COMMUNITY INCLUSIVE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 12 times during the year. Seven of those meetings were held virtually due to the Covid-19 pandemic. In March 2020 the work of the Committees was conducted by the full Board.

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

Trustee	Meetings attended	Out of a possible
S Hopkins, Chair of Trustees	12	12
K Weekes	9	12
K Goodman	11	12
L McClements	10	12
S Maycock	8	12
P Bell, Chief Executive and Accounting Officer	12	12
R Sharpe	7	7
K Rouse	5	7
K Platts	4	7

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

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

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

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

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L McClements	2	2
K Weekes	0	2
K Goodman	1	2
S Hopkins	2	2
P Bell, Guest	2	2

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

COMMUNITY INCLUSIVE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Hopkins	2	2
K Goodman	1	2
K Weekes	1	2
P Bell	2	2

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Community Inclusive Trust for the year 1 September 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

COMMUNITY INCLUSIVE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has decided to employ Assurance Lincolnshire 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 arrangements, particularly those for Covid-19
- Budget management
- Cash and banking arrangements
- Purchase procedure compliance
- Use of commercial cards
- Income
- Payroll procedures

On an annual basis, the internal auditor reports to the board of Trustees through the finance and financial audit committee, who in turn briefed the Board, on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal audit team delivered the schedule of work in line with expectations of previous years, although their physical presence to achieve this was not possible due to Covid-19. Meetings took place remotely and information was provided electronically. Where areas for improvement were highlighted, the Trust together with the Heads of Department and School Operations Managers agreed an action plan to strengthen best practice and eradicate any concerns raised.

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

COMMUNITY INCLUSIVE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and financial audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:

.....
S Hopkins
Chair of Trustees

.....
P Bell
Accounting Officer

Date:

COMMUNITY INCLUSIVE TRUST
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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 board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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

.....
P Bell
Accounting Officer

Date:

COMMUNITY INCLUSIVE TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
S Hopkins
Chair of Trustees

Date:

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

Opinion

We have audited the financial statements of Community Inclusive Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

In accordance with the terms of our engagement letter dated 25 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Community Inclusive Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Community Inclusive Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Community Inclusive Trust's funding agreement with the Secretary of State for Education dated 28 August 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our audit work involved:

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Bradshaw (Senior statutory auditor)
Streets Audit LLP

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

Date:

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	183,171	(558,000)	5,210,183	4,835,354	15,427,964
Charitable activities		401,891	17,769,497	-	18,171,388	16,090,807
Teaching schools		-	284,706	-	284,706	325,954
Other trading activities		16,453	-	-	16,453	62,148
Investments	6	1,434	-	-	1,434	846
Total income		602,949	17,496,203	5,210,183	23,309,335	31,907,719
Expenditure on:						
Charitable activities		318,740	19,103,186	945,296	20,367,222	18,286,576
Teaching schools		-	190,665	-	190,665	276,136
Total expenditure		318,740	19,293,851	945,296	20,557,887	18,562,712
Net income/ (expenditure)		284,209	(1,797,648)	4,264,887	2,751,448	13,345,007
Transfers between funds	17	-	(2,495)	2,495	-	-
Net movement in funds before other recognised gains/(losses)		284,209	(1,800,143)	4,267,382	2,751,448	13,345,007
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(777,000)	-	(777,000)	(3,173,000)
Net movement in funds		284,209	(2,577,143)	4,267,382	1,974,448	10,172,007

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Reconciliation of funds:					
Total funds brought forward	686,239	(11,202,412)	43,223,487	32,707,314	22,535,307
Net movement in funds	284,209	(2,577,143)	4,267,382	1,974,448	10,172,007
Total funds carried forward	970,448	(13,779,555)	47,490,869	34,681,762	32,707,314

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

The notes on pages 41 to 74 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	46,359,559	42,217,479
		<u>46,359,559</u>	<u>42,217,479</u>
Current assets			
Debtors	15	1,172,366	2,057,323
Cash at bank and in hand		4,101,228	2,386,199
		<u>5,273,594</u>	<u>4,443,522</u>
Creditors: amounts falling due within one year	16	<u>(2,818,391)</u>	<u>(2,586,687)</u>
Net current assets		2,455,203	1,856,835
Total assets less current liabilities		<u>48,814,762</u>	<u>44,074,314</u>
Net assets excluding pension liability		48,814,762	44,074,314
Defined benefit pension scheme liability	25	<u>(14,133,000)</u>	<u>(11,367,000)</u>
Total net assets		<u><u>34,681,762</u></u>	<u><u>32,707,314</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	47,490,869	43,223,487
Restricted income funds	17	353,445	164,588
Restricted funds excluding pension asset	17	<u>47,844,314</u>	<u>43,388,075</u>
Pension reserve	17	<u>(14,133,000)</u>	<u>(11,367,000)</u>
Total restricted funds	17	33,711,314	32,021,075
Unrestricted income funds	17	970,448	686,239
Total funds		<u><u>34,681,762</u></u>	<u><u>32,707,314</u></u>

The financial statements on pages 36 to 74 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
S Hopkins
Chair of Trustees

Date:

The notes on pages 41 to 74 form part of these financial statements.

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	1,407,610	<i>(108,302)</i>
Cash flows from investing activities	20	307,419	<i>1,231,661</i>
Change in cash and cash equivalents in the year		1,715,029	<i>1,123,359</i>
Cash and cash equivalents at the beginning of the year		2,386,199	<i>1,262,840</i>
Cash and cash equivalents at the end of the year	21, 22	<u>4,101,228</u>	<u><i>2,386,199</i></u>

The notes on pages 41 to 74 form part of these financial statements

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Community Inclusive Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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

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

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

• **Transfer on conversion**

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

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

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Provisions

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

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

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

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Conversion to an academy trust

The conversion from a state maintained school to an Academy 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 [name of predecessor school] to the Academy 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 the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

COMMUNITY INCLUSIVE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.16 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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

COMMUNITY INCLUSIVE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	183,171	(558,000)	3,377,000	3,002,171
Capital Grants	-	-	1,833,183	1,833,183
	<u>183,171</u>	<u>(558,000)</u>	<u>5,210,183</u>	<u>4,835,354</u>
	<u><u>183,171</u></u>	<u><u>(558,000)</u></u>	<u><u>5,210,183</u></u>	<u><u>4,835,354</u></u>
			<i>Restricted</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Donations	422,864	(799,000)	13,148,758	12,772,622
Capital Grants	-	-	2,655,342	2,655,342
	<u>422,864</u>	<u>(799,000)</u>	<u>15,804,100</u>	<u>15,427,964</u>
	<u><u>422,864</u></u>	<u><u>(799,000)</u></u>	<u><u>15,804,100</u></u>	<u><u>15,427,964</u></u>

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
General Annual Grant (GAG)	-	9,990,854	9,990,854
Other DfE/ESFA Grants	-	2,259,526	2,259,526
Local Authority Grants	-	5,519,117	5,519,117
School trips	32,717	-	32,717
Catering	84,717	-	84,717
Consultancy and staff income	190,039	-	190,039
Other income	94,418	-	94,418
	<u>401,891</u>	<u>17,769,497</u>	<u>18,171,388</u>
	<u><u>401,891</u></u>	<u><u>17,769,497</u></u>	<u><u>18,171,388</u></u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
General Annual Grant (GAG)	-	9,063,523	9,063,523
Other DfE/ESFA Grants	-	1,082,148	1,082,148
Local Authority Grants	-	5,445,308	5,445,308
School trips	49,227	-	49,227
Catering	76,841	-	76,841
Consultancy and staff income	190,722	-	190,722
Other income	183,038	-	183,038
	<u>499,828</u>	<u>15,590,979</u>	<u>16,090,807</u>
	<u><u>499,828</u></u>	<u><u>15,590,979</u></u>	<u><u>16,090,807</u></u>

COMMUNITY INCLUSIVE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	16,453	16,453
	<u>16,453</u>	<u>16,453</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	62,148	62,148
	<u>62,148</u>	<u>62,148</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	1,434	1,434
	<u>1,434</u>	<u>1,434</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	846	846
	<u>846</u>	<u>846</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Academy's Educational Operations:				
Direct costs	12,360,935	-	961,642	13,322,577
Allocated support costs	3,806,425	1,257,150	1,981,070	7,044,645
Teaching school	121,725	-	68,940	190,665
	<u>16,289,085</u>	<u>1,257,150</u>	<u>3,011,652</u>	<u>20,557,887</u>
	<i>Staff Costs</i> <i>2019</i> £	<i>Premises</i> <i>2019</i> £	<i>Other</i> <i>2019</i> £	<i>Total</i> <i>2019</i> £
Academy's Educational Operations:				
Direct costs	10,615,299	-	947,966	11,563,265
Allocated support costs	3,457,273	1,195,511	2,070,527	6,723,311
Teaching school	109,126	-	167,010	276,136
	<u>14,181,698</u>	<u>1,195,511</u>	<u>2,114,983</u>	<u>17,492,192</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Academy's Educational Operations	13,322,577	7,044,645	20,367,222

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

Analysis of support costs

	Academy's Educational Operations 2020 £	Total funds 2020 £
Staff costs	3,806,425	3,806,425
Depreciation	945,289	945,289
Technology costs	289,652	289,652
Premises costs	659,277	659,277
PFI costs	597,873	597,873
Other costs	712,411	712,411
Governance costs	33,718	33,718
	<u>7,044,645</u>	<u>7,044,645</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Academy's Educational Open 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	3,457,273	3,457,273
Depreciation	855,412	855,412
Technology costs	311,561	311,561
Premises costs	633,276	633,276
PFI costs	562,235	562,235
Other costs	875,525	875,525
Governance costs	28,029	28,029
	<u>6,723,311</u>	<u>6,723,311</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	945,289	855,412
Fees paid to auditors for:		
- audit	14,450	13,250
- other services	5,100	4,750
	<u>14,450</u>	<u>13,250</u>
	<u>5,100</u>	<u>4,750</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	11,324,901	10,476,964
Social security costs	1,024,372	950,073
Pension costs	3,725,885	2,654,185
	<u>16,075,158</u>	<u>14,081,222</u>
Agency staff costs	135,833	55,276
Staff restructuring costs	78,094	45,200
	<u>16,289,085</u>	<u>14,181,698</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	78,094	45,200
	<u>78,094</u>	<u>45,200</u>

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

Included in staff costs are non-statutory severance payments of £78,094 (2019 - £45,200).

Individually, the payments were: £24,557, £19,222, £18,000, £6,720, £5,125, £1,900, £1,570 and £1,000.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	153	131
Management	17	16
Administration and Support	351	346
	<u>521</u>	<u>493</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	-
In the band £150,001 - £160,000	1	1

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £793,353 (2019 £724,456).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

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

The Academy charges for these services on the following basis:

8.0% of GAG and agreed local authority place funding for existing Academies which are able to make the contribution. Where they are not, other schools may increase their contribution temporarily.

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£	£
Ambergate Sports College	357,333	<i>164,440</i>
The Grantham Sandon School	138,028	<i>134,094</i>
The Isaac Newton Primary School	176,010	<i>166,362</i>
The John Fielding Special School	126,718	<i>111,735</i>
The Priory School	275,653	<i>166,712</i>
The Garth School	150,834	<i>105,058</i>
Woodlands Academy	296,827	<i>155,235</i>
Caythorpe Primary School	-	<i>48,660</i>
Chapel St Leonards Primary School	-	<i>87,003</i>
Greenfields Academy	189,517	<i>103,403</i>
Poplar Farm Primary School	57,549	-
Total	1,768,469	<i>1,242,702</i>

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12. Trustees' remuneration and expenses

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

	2020	<i>2019</i>
	£	£
P Bell, Chief Executive and Accounting Officer Remuneration	150,000 -	<i>150,000 -</i>
	155,000	<i>155,000</i>
Pension contributions paid	35,000 -	<i>20,000 -</i>
	40,000	<i>25,000</i>

During the year ended 31 August 2020, travel expenses totalling £2,065 were reimbursed or paid directly to 3 Trustees (*2019 - £1,389 to 5 Trustees*).

13. Trustees' and Officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	F/hold and L/hold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	43,270,891	404,780	407,088	133,939	44,216,698
Additions	1,563,518	60,161	44,384	42,306	1,710,369
On acquisition of subsidiaries	3,377,000	-	-	-	3,377,000
At 31 August 2020	<u>48,211,409</u>	<u>464,941</u>	<u>451,472</u>	<u>176,245</u>	<u>49,304,067</u>
Depreciation					
At 1 September 2019	1,594,958	125,494	183,595	95,172	1,999,219
Charge for the year	735,292	74,662	106,760	28,575	945,289
At 31 August 2020	<u>2,330,250</u>	<u>200,156</u>	<u>290,355</u>	<u>123,747</u>	<u>2,944,508</u>
Net book value					
At 31 August 2020	<u><u>45,881,159</u></u>	<u><u>264,785</u></u>	<u><u>161,117</u></u>	<u><u>52,498</u></u>	<u><u>46,359,559</u></u>
At 31 August 2019	<u><u>41,675,933</u></u>	<u><u>279,286</u></u>	<u><u>223,493</u></u>	<u><u>38,767</u></u>	<u><u>42,217,479</u></u>

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

- £619,202 at Ambergate for new classrooms;
- £18,426 at Caythorpe for design fees;
- £879,479 at Garth for new modular buildings;
- £10,240 at Greenfields for fitness trail and outdoor equipment/surfacing;
- £2,888 at Poplar Farm for fencing and
- £33,281 at Sandon for boiler replacement and Stornaway build.

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FOR THE YEAR ENDED 31 AUGUST 2020

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	35,187	162,566
Other debtors	212,519	344,775
Prepayments and accrued income	924,660	1,549,982
	1,172,366	2,057,323
	1,172,366	2,057,323

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,003,386	1,263,432
Other taxation and social security	235,994	224,553
Other creditors	289,119	226,218
Accruals and deferred income	1,289,892	872,484
	2,818,391	2,586,687
	2,818,391	2,586,687

	2020 £	2019 £
Deferred income at 1 September 2019	633,176	248,820
Resources deferred during the year	808,398	633,176
Amounts released from previous periods	(633,176)	(248,820)
	808,398	633,176
	808,398	633,176

Deferred income includes PFI funding for the period 1 September 2020 to 31 March 2021, grants for schools opening after 1 September 2020, Universal Infant Free School Meals, rates relief and other grant income for the 2020/21 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	686,239	602,949	(318,740)	-	-	970,448
Restricted general funds						
General Annual Grant (GAG)	91,078	9,990,854	(9,893,543)	(2,495)	-	185,894
Other DfE/ESFA grants	-	2,259,526	(2,259,526)	-	-	-
Local Authority grants	-	5,519,117	(5,519,117)	-	-	-
Teaching school	73,510	284,706	(190,665)	-	-	167,551
Pension reserve	(11,367,000)	(558,000)	(1,431,000)	-	(777,000)	(14,133,000)
	<u>(11,202,412)</u>	<u>17,496,203</u>	<u>(19,293,851)</u>	<u>(2,495)</u>	<u>(777,000)</u>	<u>(13,779,555)</u>
Restricted fixed asset funds						
Transfer on conversion	37,397,480	3,377,000	(735,292)	-	-	40,039,188
Capital expenditure from GAG	338,087	-	(9,335)	2,495	-	331,247
Other DfE/ESFA capital grants	4,476,971	1,107,381	(132,952)	-	-	5,451,400
Other activities	1,010,949	725,802	(67,717)	-	-	1,669,034
	<u>43,223,487</u>	<u>5,210,183</u>	<u>(945,296)</u>	<u>2,495</u>	<u>-</u>	<u>47,490,869</u>
Total Restricted funds	<u>32,021,075</u>	<u>22,706,386</u>	<u>(20,239,147)</u>	<u>-</u>	<u>(777,000)</u>	<u>33,711,314</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total funds	32,707,314	23,309,335	(20,557,887)	-	(777,000)	34,681,762

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

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

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

Restricted Revenue funds

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

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

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

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

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2020 results in a net surplus of £1,323,893.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Ambergate Sports College	-	621,248
The Grantham Sandon School	-	437,491
The Isaac Newton Primary School	-	41,301
The John Fielding Special School	-	122,275
The Priory School	-	316,467
The Garth School	-	166,526
Woodlands Academy	-	195,735
Caythorpe Primary School	-	(30,654)
Chapel St Leonards Primary School	-	18,376
Poplar Farm Primary School	-	(70,959)
Greenfields Academy	-	357,148
Central Services	1,323,893	(1,324,127)
Total before fixed asset funds and pension reserve	1,323,893	850,827
Restricted fixed asset fund	47,490,869	43,223,487
Pension reserve	(14,133,000)	(11,367,000)
Total	34,681,762	32,707,314

Community Inclusive Trust manages the reserves of the schools centrally in order to ensure sufficient liquidity is available to meet the needs of all academies within it. Therefore, these reserves have been disclosed at charitable trust level.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Ambergate Sports College	1,310,569	206,532	38,680	140,206	1,695,987
The Grantham Sandon School	1,191,375	203,810	35,134	97,523	1,527,842
The Isaac Newton Primary School	1,496,942	152,138	65,178	260,130	1,974,388
The John Fielding Special School	1,063,094	148,126	26,406	81,124	1,318,750
The Priory School	1,346,482	214,287	54,008	114,992	1,729,769
The Garth School	1,060,927	48,288	7,475	77,367	1,194,057
Woodlands Academy	1,188,981	113,441	44,526	468,836	1,815,784
Caythorpe Primary School	426,991	52,282	21,633	67,701	568,607
Chapel St Leonards Primary School	648,246	160,343	51,162	113,474	973,225
Poplar Farm Primary School	374,239	92,095	34,258	84,601	585,193
Greenfields Academy	1,111,033	96,854	59,743	373,515	1,641,145
St Paul's Community Primary School and Nursery	505,307	103,470	18,181	56,853	683,811
Central services	766,034	1,010,198	124,720	2,003,088	3,904,040
Academy	12,490,220	2,601,864	581,104	3,939,410	19,612,598

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Total Restricted funds	21,943,846	30,922,033	(17,671,804)	-	(3,173,000)	32,021,075
Total funds	22,535,307	31,907,719	(18,562,712)	-	(3,173,000)	32,707,314

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£	£
Tangible fixed assets	-	-	46,359,559	46,359,559
Current assets	970,448	2,473,715	1,829,431	5,273,594
Creditors due within one year	-	(2,120,270)	(698,121)	(2,818,391)
Provisions for liabilities and charges	-	(14,133,000)	-	(14,133,000)
Total	970,448	(13,779,555)	47,490,869	34,681,762

Analysis of net assets between funds - prior period

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

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FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net income for the period (as per statement of financial activities)	2,751,448	13,345,007
Adjustments for:		
Depreciation	945,289	855,412
Capital grants from DfE and other capital income	(1,833,183)	(2,655,342)
Interest receivable	(1,434)	(846)
Defined benefit pension scheme cost less contributions payable	1,197,000	763,000
Defined benefit pension scheme finance cost	234,000	213,000
Decrease/(increase) in debtors	884,957	(985,679)
Increase in creditors	231,704	1,129,768
Net loss/(gain) on assets and liabilities from local authority on conversion	(3,002,171)	(12,772,622)
Net cash provided by/(used in) operating activities	1,407,610	(108,302)

20. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,434	846
Purchase of tangible fixed assets	(1,710,369)	(1,847,391)
Capital grants from DfE Group	1,833,183	2,655,342
Cash transferred on conversion to an academy trust	183,171	422,864
Net cash provided by investing activities	307,419	1,231,661

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	4,101,228	2,386,199
Total cash and cash equivalents	4,101,228	2,386,199

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,386,199	1,715,029	4,101,228
	<u>2,386,199</u>	<u>1,715,029</u>	<u>4,101,228</u>

23. Conversion to an academy trust

On 1 February 2020 St Paul's Community Primary School and Nursery 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 heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	3,377,000	3,377,000
Current assets				
Cash - representing budget surplus on LA funds	183,171	-	-	183,171
Non-current liabilities				
Local Government Pension Scheme deficit	-	(558,000)	-	(558,000)
Net assets/(liabilities)	<u>183,171</u>	<u>(558,000)</u>	<u>3,377,000</u>	<u>3,002,171</u>

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24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>695,779</u>	<u>-</u>

25. Pension commitments

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

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

Contributions amounting to £287,573 were payable to the schemes at 31 August 2020 (2019 - £224,808) and are included within creditors.

Teachers' Pension Scheme

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

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

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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,343,182 (2019 - £819,920).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,415,000 (2019 - £1,329,000), of which employer's contributions totalled £1,131,000 (2019 - £1,054,000) and employees' contributions totalled £ 284,000 (2019 - £275,000). The agreed contribution rates for future years are 19.9 per cent for employers and various per cent for employees.

As described in note 23 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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25. Pension commitments (continued)

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	2.5	2.7
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	21.4	21.2
Females	23.7	23.5
<i>Retiring in 20 years</i>		
Males	22.4	22.5
Females	25.2	25.2

Sensitivity analysis

	2020	<i>2019</i>
	£000	£000
Discount rate +0.1%	666	575
Mortality assumption - 1 year increase	980	802

Share of scheme assets

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

	2020	<i>2019</i>
	£	£
Equities	7,164,000	6,344,000
Corporate bonds	2,076,000	1,391,000
Property	1,038,000	869,000
Cash and other liquid assets	104,000	87,000
Total market value of assets	10,382,000	8,691,000

The actual return on scheme assets was £(227,000) (2019 - £462,000).

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25. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	(2,328,000)	(1,703,000)
Past service cost	-	(114,000)
Interest cost	(234,000)	(213,000)
Total amount recognised in the Statement of financial activities	(2,562,000)	(2,030,000)

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

	2020 £	2019 £
At 1 September	20,058,000	11,834,000
Transferred in on existing academies joining the trust	1,198,000	2,333,000
Current service cost	2,328,000	1,703,000
Interest cost	419,000	425,000
Employee contributions	284,000	275,000
Actuarial losses	365,000	3,423,000
Benefits paid	(137,000)	(49,000)
Past service costs	-	114,000
At 31 August	24,515,000	20,058,000

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

	2020 £	2019 £
At 1 September	8,691,000	5,415,000
Transferred in on existing academies joining the trust	640,000	1,534,000
Interest income	185,000	212,000
Actuarial (losses)/gains	(412,000)	250,000
Employer contributions	1,131,000	1,054,000
Employee contributions	284,000	275,000
Benefits paid	(137,000)	(49,000)
At 31 August	10,382,000	8,691,000

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26. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	523,392	517,924
Later than 1 year and not later than 5 years	2,040,191	2,023,352
Later than 5 years	1,778,756	2,032,864
	<u>4,342,339</u>	<u>4,574,140</u>

27. 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.

28. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

29. Post balance sheet events

On 1 September 2020, both Linchfield Community Primary School and Foxfields Academy (a free school) joined the trust.

30. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £4,935 (2019 - £5,900) and disbursed £3,240 (2019 - £5,900) from the fund. An amount of £1,695 was included in other creditors at the year end.

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31. Teaching school trading account

	2020	2020	2019	2019
	£	£	£	£
Income				
Direct income				
Grant income	203,649		181,135	
Self-generated income	81,057		144,819	
Total income		284,706		325,954
Expenditure				
Direct expenditure				
Direct staff costs	121,725		109,126	
Direct depreciation	581		1,067	
Other direct costs	68,360		165,943	
Total direct expenditure	190,666		276,136	
Total expenditure		190,666		276,136
Surplus from all sources		94,040		49,818
Teaching school balances at 1 September 2019		73,510		23,692
Teaching school balances at 31 August 2020		167,550		73,510