
INCLUSIVE MULTI ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Carly Holliman Jonathan Hartley Jill Steward Nick Martin
Trustees	Elizabeth Leeman, Chair Andrew Chappell, Vice Chair James Roach, Accounting Officer Daniel Finill Elizabeth Redman Efuru Obua Vijay Sharma Alia Aziz (resigned 8 October 2019) Natalie Dalvarez (appointed 28 January 2020, resigned 7 September 2020)
Company registered number	10411381
Company name	Inclusive Multi Academy Trust
Principal and registered office	Beech House 95a Gammons Lane Watford Hertfordshire WD24 5TY
Chief Executive Officer	James Roach
Senior Leadership Team	James Roach, Chief Executive Officer Sharon Carlyon, Chief Operating Officer Elizabeth Somerset-Butler, SENDCo Gillian Jackson, Headteacher - Beechfield Primary School Laura Carmen, Phase Leader - Beechfield School Michelle Connell, Deputy Headteacher - Beechfield Primary School Tanya Mortlock, Deputy Headteacher - Beechfield Primary School Jessie Bruce, Headteacher - Cherry Tree School Emma Hill, Deputy Headteacher - Cherry Tree School Sebastian Gray, Headteacher - Laurance Haines School Jo Ball, Deputy Headteacher - Laurance Haines School
Independent auditor	Hillier Hopkins LLP Chartered Accountants Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP

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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 auditor's report of the charitable company for the 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.

The Trust consists of three primary schools within the Watford area, Beechfield School, Cherry Tree School and Laurance Haines School with a pupil capacity of 1,410 pupils, 60 pupils per year group. Beechfield and Laurance Haines offer 30 hours Early Years provision and Cherry Tree has 15-hour Early Years provision which will be extended to 30-hour Early Years provision from September 2020. Laurance Haines School was the initial primary school in the Trust. Following a close association with Laurance Haines, Cherry Tree School, joined the Trust in February 2018 followed by Beechfield School in March 2018.

Structure, governance and management

a. Constitution

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

The charitable company's Trust deed is the primary governing document of the academy.

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

The charitable company is known as the Inclusive Multi Academy Trust (IMAT).

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.

The Trust currently has four Members although looking to recruit an additional member to ensure it operates in accordance with the ESFA recommendation for five members.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, Trustees benefit from indemnity insurance to cover the liability of the Trustees by which virtue of any rule of law would otherwise attach to 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 Inclusive Multi Academy Trust.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Our Articles of Association provide that the Inclusive Multi Academy Trust shall have a minimum of three Trustees and shall not be subject to any maximum, Trustees shall include the Chief Executive Officer. Trustees are appointed by the Members for an initial period of 4 years and may be re-appointed and removed. Appointed Trustees are selected to ensure that there is a breadth of skills and knowledge necessary to support and advance the Trust in all areas for example Finance, Human Resources, Health and Safety and School Improvement. Members have sought to recruit from the wider community, and it continues to be an ongoing priority for the Trust Members to recruit new Trustees who are willing to commit their time and skills, adding value to the leadership and governance of the Trust. Safer recruitment processes are followed for all appointments.

e. Policies adopted for the induction and training of Trustees

Following their appointment all Trustees receive an induction tailored to their personal experience, skills, and their role on the Trust Board. Visits to the Trust schools and meeting members of the Leadership teams are encouraged to provide Trustees with a comprehensive understanding of the school, their communities, day to day operations and the Trust's values and philosophy. Trustees regularly undertake a skills audit to ensure a broad range of skills are represented on the board. Trustees are encouraged to develop their skills through participation in training and development appropriate to their roles. To facilitate this the Trust provides a comprehensive programme of training, guidance, and documentation available through various organisations including Herts for Learning Limited, as well as the Confederation of School Trusts. All Trustees are required to sign and adhere to the Trust's code of conduct.

f. Organisational structure

The Members of the Inclusive Multi Academy Trust have ultimate responsibility for the Trust achieving its charitable objectives. They sign off the Articles of Association and have power to appoint and remove Trustees ensuring an appropriate balance of skills and effectiveness.

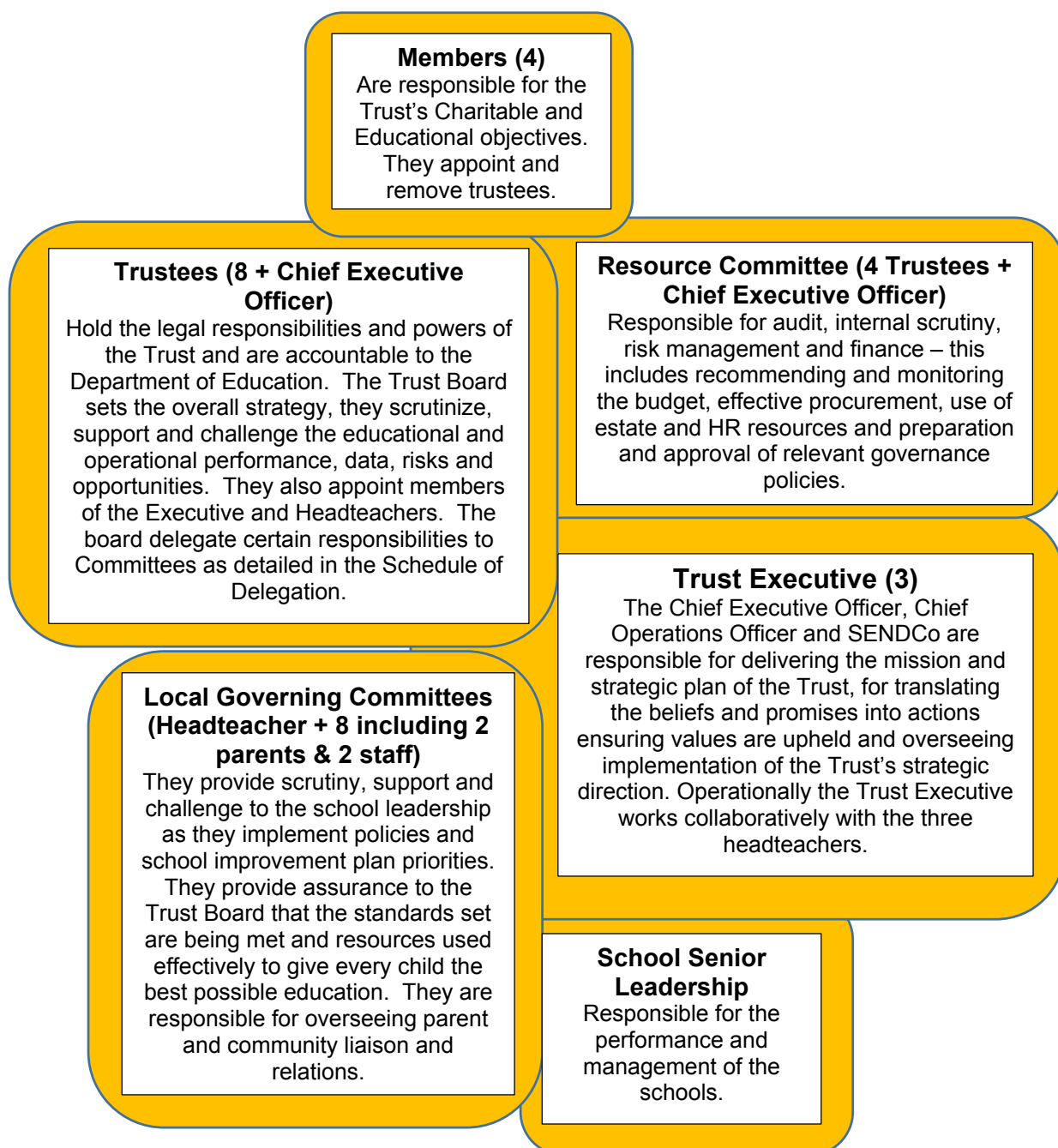
The Trustees of the Inclusive Multi Academy Trust constitute the Trust Board, which determines the general policy across the Trust and establishes a strategic plan for growth and development. The Trustees give their time freely and apart from the Chief executive Officer receive no remuneration or other financial benefits.

Our Trust Structure is illustrated below showing the Responsibilities and Relationships:

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

Structure, governance and management (continued)



The Trustees and Trust Executive meet at least termly to fulfill a strategic role through the setting of policy, the Trust plan and budget including capital expenditure and senior leadership appointments across the Trust.

In September 2019 the Trustees established a Resources Committee which meets at least termly. In addition to reviewing the Trust finances, capital and health and safety management across the Trust, the committee undertakes the risk and audit requirements to ensure the independent checking of financial controls, systems,

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

Structure, governance and management (continued)

transactions and risks.

Currently, the Local Governing Committee structure and membership varies from school to school. The Trust is working towards the best practice structure detailed above. The day to day running of each school within the Trust is delegated to the Local Governing Committee and in turn the Headteacher who is supported by the Senior Leadership Team. Each Local Governing Committee reviews the annual improvement plan, monitors performance and oversees parent and community liaison.

A clear system of delegation outlines the roles and responsibilities of the members, the Trust Board and committees.

g. Arrangements for setting pay and remuneration of key management personnel

The Trust Executive employees are paid on the same terms and conditions of employment as teaching and support staff, dependent on their role. The remuneration of the Trust Executive is reviewed and agreed by the Trust Board annually, on the recommendation of the Resources Committee and is linked to performance management targets and performance review.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	-

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£**

Total cost of facility time	-
Total pay bill	5,285,642
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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

i. Inclusive Multi Academy Trust beliefs and promises

Happy children learn, happy staff thrive, happy parents build a community.

We promise that children in the Inclusive Multi Academy Trust will:

- feel welcome, valued and safe
- develop outstanding academic and social skills
- have fun whilst fostering an intrinsic love of learning
- respect and celebrate everyone's similarities and differences
- build lasting, healthy relationships and support networks
- engage with and contribute substantially to their local community

Objectives and activities

a. Objectives, strategies and activities

The Inclusive Multi Academy Trust is child centered, continually working to meet the needs of all our pupils regardless of background or ability. We have high expectations for all our pupils and set ambitious goals which support our commitment to ensuring that our children experience fun, interesting and exciting learning, focused around a variety of practical activities with tangible outcomes. These experiences will prepare children for life in a rapidly developing world. The broad and balanced curriculum empowers the children to directly influence the direction of their learning, where experiences both inside and outside of the classroom create a buzz and an excitement around it. Our highly trained and supported teachers respond to the interests and ideas of the children whilst guiding them to ensure key skills from the wider areas of the curriculum are developed. We set highly aspirational targets and nurture our children to achieve these. The nurture of our children, parents and staff underpins all we do in the Trust, our schools either hold or are working towards the National Nurturing School award. Laurance Haines became the first school in the country to achieve this. The result of our approach and achievements is that our schools are successful nurturing hubs for the wonderfully diverse community that we serve.

b. Public benefit

The Inclusive Multi Academy Trust is a not for profit charitable company whose purpose is to benefit the public through the pursuit of its stated aims – namely the advancement of education. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and consider this duty when reviewing the Trust's beliefs, promises and plans for future activities. The Inclusive Multi Academy Trust consider that the key public benefit the Trust delivers is the high-quality education provided within its schools which is to the public benefit of all children local to our schools.

Strategic report

Achievements and performance

a. Covid-19

The Covid-19 pandemic will be remembered as the year impacting the lives of us all in one way or another. In common with other schools in England, we closed our schools to the majority of our pupils on 23 March 2020 at the start of 'lockdown'.

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

Strategic report (continued)

Achievements and performance (continued)

As a result of the pandemic the usual assessment requirements were suspended by the Department for Education. However, whilst usual key performance indicators are not available for 2019/20 there are nevertheless many achievements to acknowledge and recognise – not least the commitment and resilience of our staff and pupils in adapting to the new way of life.

Provision to enable the children of key workers to attend each of our schools continued from 23 March to 8 June with all three schools remaining open consistently with around 70 pupils attending. Beechfield provision also supported pupils from other non-trust schools during holidays and bank holidays.

Throughout the period, the Trust Executive team and headteachers worked wholly collaboratively to ensure consistency of message. All correspondence was written centrally with input from the Headteachers. It was noted by all that this approach gave one clear voice which was appreciated by parents and staff alike. Staff safety was at the forefront of every decision made and communication reflected this. Through this approach, our headteachers were freed up to work operationally, ensuring that our key worker children received high quality childcare in schools and our children in lockdown were supported with high quality, bespoke home learning activities and opportunities. Risk assessments, policies, letters, plans and documentation were willingly shared with other local headteachers and schools throughout this period.

The Trust focused activity on supporting our community, both through the provision of remote home learning but also with a wide-ranging package of support to ensure the welfare of our pupils and staff during this difficult period.

Our wellbeing and recovery plan was constructed as a collaborative piece of work, led primarily by the Pastoral Leads in each school and the Rapid Improvement Partner from the Trusts central team. This comprehensive and supportive plan was shared across the Trust as well as with all NQTs in Hertfordshire. It supported staff to understand and begin to address the clear gaps in mental health and wellbeing noted in children and staff during the lockdown and upon their return to school.

Overall, our staff, regardless of their personal circumstances worked tirelessly to provide home learning opportunities for our diverse community. As national testing was postponed due to the pandemic, SATS results were not available to benchmark how our academic performance compares to a national measure, or to other schools. Internal data shows broadly that our children at the end of KS2 have slipped by between 10% - 20% depending on the subject and school, from where we would have expected them to be at the end of their Year 6 journey in a normal year. The gap is more pronounced for our KS1 and EYFS children who are broadly around 30% behind where we would have expected them to be. Many of our children live in families who do not speak English as their first language or at all at home, and so spent the entire lockdown without speaking any English.

A digital strategy enabled staff to work and connect remotely to support business continuity and comprehensive CPD was undertaken online by all staff. Lockdown meant that staff and children were separated from the normal practice of being in a classroom environment for a long period of time. This has had direct impact on people's mental health and wellbeing. The Pastoral Teams across the Trust set up a helpline for families to access which enabled contact for those most in need. This was accessed by numerous families for a wide variety of reasons – support with finances, advice around children's behaviour and in many cases simply a friendly person to talk to and unload with. Teachers made fortnightly welfare calls to support parents and children alike with home learning and to genuinely touch base and find out how life was. In turn SLTs worked hard to connect staff where possible – regular remote social events took place to maintain a team feeling. Staff also accessed support provided from the Pastoral Teams and our health care partners. Whilst the challenges of lockdown were significant a clear and palpable feeling of community and support came from this and was evidenced in the regular staff survey which showed staff wellbeing rising across the period.

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

Strategic report (continued)

Achievements and performance (continued)

Members of our school staff worked closely with our caterer Chartwells to provide regular food supplies for children in receipt of free school meals. In addition, staff went 'above and beyond' by partnering with The Salvation Army to source, pack and deliver food and care packages for a significant number of families across the Trust.

Operational changes came into play as a result of the national lockdown, but our core functions remained active. Governance was agile and moved to a remote operation across the Trust and three schools. This worked well and meant that we were able to function as usual without physically meeting.

We have incurred additional unbudgeted costs for example, additional cleaning costs and cover staffing. Beechfield school were able to claim a government grant to cover the exceptional costs associated with coronavirus. Cherry Tree school and Laurance Haines school were not eligible for reimbursement of costs and they made the necessary payments from their existing reserves.

From Monday 8 June we were able to welcome back pupils to all our schools in line with government guidelines. Staff worked together to put in place 'covid-19 safe systems and risk assessments' and health and safety reviews were undertaken. Our community recognised the effort made to provide a safe environment for our pupils – in the year groups able to return to school we averaged attendance of 90%+ with attendance levels increasing each week. We are proud of being able to keep our staff and children safe, supported, well connected and learning during these unprecedented times.

b. Key performance indicators

The Trust uses a number of non-financial Key Performance Indicators to monitor performance. These include:

- Pupil absence data
- Staff recruitment and retention
- Early Years Foundation Stage, Key Stage 1 and Key Stage 2 assessment data
- Ofsted inspection judgments
- School Self-Assessment judgments

c. Pupil absence

In 2019/20, the overall attendance rate was 94.5%, making the rate of overall absence 5.5%. This was an improvement on the absence rate for the previous year. To support the Trust commitment to the ongoing improvement in attendance Hertfordshire Attendance Team are contracted to support the reduction of these figures.

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

Strategic report (continued)

Achievements and performance (continued)

d. Staff recruitment and retention

Whilst recruitment and retention remains a challenge within the teaching profession, particularly within the South East and continues to be a priority throughout the Trust, we are pleased that we continue to be fully staffed. We recognise that our staff choose to work for us, and many join us as NQT's, developing into highly skilled teachers able to develop their careers within the Trust. It is particularly encouraging that former pupils have chosen to return to us to pursue their teaching careers.

The Trust is committed to balancing the work and home life of all Trust employees, for example through cross school collaboration, the sharing of best practice and planning a wellbeing weekend break into the school year. Staff development is critical to the Trust and as a result there are good career progression opportunities.

The Trust will continue to examine and develop recruitment and retention initiatives to minimize the impact of the skills shortage particularly within the teaching profession.

e. Assessment data: As a result of the pandemic, national testing did not go ahead.

School self-assessment judgments:

As part of the ongoing cycle of self-assessment, schools in the Trust work with a Hertfordshire Improvement Partner to validate judgments about the school.

Beechfield Summer 2019	Cherry Tree School Summer 2019	Laurance Haines Spring 2019
Requires improvement	Good	Good

Ofsted inspection judgements:

In September 2019 Laurance Haines received a S8 Ofsted inspection, the result is that Laurance Haines continues to be a good school. As an academy the previous Ofsted judgement and priorities set for the predecessor Beechfield and Cherry Tree schools stand and form the starting point of the Ofsted inspection. The most recent Ofsted judgements and priorities are:

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

Strategic report (continued)

Achievements and performance (continued)

Beechfield – 05/02/13	Cherry Tree School – 20/07/16	Laurance Haines – 28-29/09/19
Good	Good	Good
<ul style="list-style-type: none"> • In the Early Years Foundation Stage and Key Stage 1, pupils do not make as much progress in reading, as they do writing and mathematics. • The teaching of letters and sounds is not consistent. • Leadership and management is not yet organised to meet the needs of a school with increasing pupil numbers. 	<ul style="list-style-type: none"> • Increase the proportion of pupils making more than expected progress by improving the quality of writing further and setting clear targets for the most able disadvantaged pupils • Identify very clearly the responsibilities of the newly deployed senior pastoral leader to improve attendance and intervene promptly when pupils experience challenges in their lives. 	<ul style="list-style-type: none"> • The school's curriculum is not yet sufficiently well planned and sequenced in all subjects. However, it is clear that leaders are in the process of putting this in place. Leaders are moving forward with clear actions to develop curriculum plans further in subjects other than English and mathematics. • Leaders and teachers are identifying the sequence of knowledge in subjects other than English and mathematics so that there are better connections between pupils' previous learning and new learning. This is supporting teachers to prompt pupils to remember important knowledge and recall this so that pupils can learn new ideas successfully. • Leaders are improving their assessment systems across all subjects to enable teachers to routinely check that pupils are knowing more and remembering more.

Successes 2019-20 across the Inclusive Multi Academy Trust

School Improvement Systems

- New Management Information System installed cross the Trust
- Assessment procedures, materials and online tracking system introduced across the Trust
- Continued cycle of improvement at Beechfield - progress between KS1 and KS2 recognised by the Rt Honourable Nick Gibb MP as being in the top 3% of schools
- Highly effective Trust wide CPD programme impacting improvement
- Executive leaders supporting other schools' leaders through the pandemic
- Laurance Haines successful S.8 Ofsted inspection retained 'Good'
- Positive feedback from staff, leaders and governors on the positive impact of the Trust
- Disadvantaged pupil, pupil premium and special education needs (SEND) reviews undertaken throughout the schools
- All academies have nominated champions for Pupil premium, SEND, Health & Wellbeing
- Further development of ambitious curriculums bespoke to our pupil community

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

Strategic report (continued)

Achievements and performance (continued)

- Development of remote learning curriculums to support all pupils
- A bespoke, broad and balanced reconnection curriculum put in place to enable pupils to successfully return to school in June and September 2020
- Introduction of a 'lockdown' library to encourage pupils to continue reading
- Cherry Tree re-awarded the British Council's International School Award recognizing its achievements in bringing the world into the classroom.

Pupils

- Pupils across the Trust benefit from a wide ranging and balanced curriculum
- Effective and rigorous pupil progress meetings support pupils to accelerate progress
- Nurture is central to all that we do enabling all our community to participate in learning – 1 school holds the National Nurturing school award with the other 2 working towards the accreditation
- High quality SEND provision across all schools lead and developed by the central rapid improvement partner and her team
- Collaboration between our school communities embedded in how we operate and evidenced for example: all pupils writing lyrics for a song to thank the NHS – <https://youtu.be/j7mVbwG342s>
- Inclusive MAT schools collaborated with the Salvation Army to raise £3,215 in 72 hours to provide and distribute food boxes to local families.

Finance

- All ESFA returns submitted on time and accepted by the ESFA
- Annual accounts to 31st August 2019 submitted to the ESFA on time with no management points reported by the auditors
- 3 year forward Trust planning process in place to ensure the Trust is financially sustainable

Operations

- Covid – 19 systems, risk assessments, resources and remote learning in place for September 2020
- 4 Capital Improvement Fund bids worth £2,747,226, successfully approved to enable improvement to the building fabric
- Effective management and use of social media throughout the trust to support communication and promotion of the trust schools
- All schools open to key workers throughout the lockdown period – Beechfield opened every day from 23rd March to 19th July including holidays and bank holidays.

Staff

- All staff were virtually connected during lockdown and supported with a range of CPD sessions and health and wellbeing activities
- Recruitment continued remotely with no vacancies as at 1st September 2020
- All staff supported to return with individual risk assessments and adjustments where practical
- Marketing professional appointed in Jan 2020 to promote the Trust and streamline marketing activity
- New Finance Manager successfully recruited, inducted and trained during lockdown
- New Headteacher appointed at Cherry Tree school with previous experience as Assistant Head at a large Islington Primary school
- Dedicated NQT mentor recruited at Laurance Haines to support successful induction and first teaching year
- Continued focus on cross Trust collaboration to share best practice and reduce workload
- Ongoing focus on staff wellbeing and mental health with in-school champions, a wellbeing extended weekend break, enabling remote CPD and meetings to protect work life balance

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

Strategic report (continued)

Achievements and performance (continued)

- Positive feedback from staff on Trust support during lockdown and the subsequent return to school.

Financial review

a. Going concern

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

b. Reserves policy

The Board of Trustees reviews the Reserves Policy annually to ensure the stability of the Trust's operations. Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk. The Trustees have determined that the appropriate level of restricted reserves to be held for non-earmarked expenditure by the Trust should be a minimum of 5% of the Trust combined annual General Annual Grant at the end of a three-year budget forecast.

c. Investment policy

There are no material investments held by the Inclusive Multi Academy Trust.

The Academy will operate an interest-bearing current account with a bank approved by the Trust and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll payment runs) and sufficient contingency (cash buffer) for unexpected payments. Monies surplus to the working requirements can be invested in an account in the name of the Trust with the approved institutions authorised by the Trust. Investments for a fixed term should not normally exceed one year to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy.

The Academy holds shares in Herts For Learning Limited to the nominal value of £75.

d. Principal risks and uncertainties

The Trust maintains a Risk Register which includes the principal risks facing the Trust and the controls in place to mitigate the effect. This is reviewed at least termly. The key risk identified is the impact on funding of lower than PAN pupil numbers. The uncertainties surrounding future funding, the implementation of the National Funding Formula by local and national Government and the ongoing challenges of Covid-19 on the operational and financial sustainability of the schools are other key risks identified.

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods

The Trust is committed to providing outstanding education and opportunities for all our pupils. The Chief Executive Officer and Senior Leaders are continuing to review and develop a broad, specific, cumulative and rigorous curriculum provision to ensure that our children experience fun, interesting and exciting learning, focused around a variety of practical activities with tangible outcomes. With the continuing challenges of Covid-19 remaining for the foreseeable future the Trust has developed a remote learning provision designed to support pupils self-isolating for short periods or shielding as a result of health issues. The provision of IT resources for all pupils continues to be a challenge with the aim of supporting those disadvantaged to participate in both online and offline learning opportunities. The overall welfare of our staff and pupils is a continuing area of focus particularly given the additional challenges which arise from managing the constantly changing environment we are working within. The Trust is committed to educating our pupils about environmental concerns and the importance of living sustainably. We recognise our responsibility to ensure that pupils have the necessary skills and knowledge to understand environmental concerns, so that they can apply this to their lives and adopt an eco-friendly lifestyle.

The Trust is continuing to build a strong scalable infrastructure that has the capacity to support the addition of a further two schools to our Inclusive MAT family.

Our strategy for 2020 and forward

We have 5 priorities identified by the Trust board in September 2020:

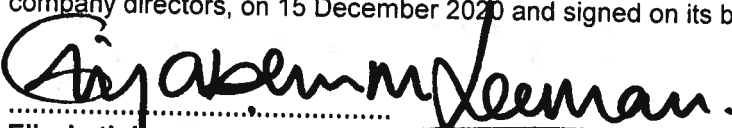
- Continue to improve all pupil outcomes through the ongoing provision of high-quality education
- Strengthen governance at each level, enhance collaboration, induction and training opportunities and develop a succession plan through recruitment of trustees and governors to increase capacity and strengthen the role of the local governing committees, development and review of the committee structure to strengthen the trust plan and enhance monitoring of academic and social performance of the Trust
- Ensure a financially viable and sustainable MAT through successful growth and promoting our schools so they are community school of choice
- Further strengthen our trust identity through HR provision, brand identity and functionality whilst promoting and enhancing individual school identity
- Demonstrable educational improvement, clearly measurable in all our schools year on year

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:



Elizabeth Leeman
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Inclusive Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 10 times during the year.

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

Trustee	Meetings attended	Out of a possible
Elizabeth Leeman, Chair	10	10
Andrew Chappell	8	10
James Roach, Chief Executive Officer	10	10
Daniel Finill	7	10
Elizabeth Redman	9	10
Efuru Obua	7	10
Vijay Sharma	9	10
Natalie Dalvarez	6	7
Alia Aziz	0	0

Governance reviews

The Board of Trustees regularly review the Trustees membership and skills. The effectiveness, leadership and impact is reviewed at the annual Trustee day. Unfortunately, in 2019-20 this was postponed due to Covid 19 to early Autumn 2020. The Trust continues to recruit new Trustees and Local Board Governors with the requisite skills identified through the skills audit undertaken. A further skills audit will be undertaken during the 2020-21 academic year.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer 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 Trusts 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 Trust has a rolling programme of monitoring and reviewing current contracts with suppliers. It has supported the schools joining the Trust where possible. Joint procurement, such as a new MIS database brought a significant improvement in value for money. The central finance team continue to enhance the quality of service and consistency of financial practice across the Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Inclusive Multi Academy Trust for this accounting period 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 this accounting period. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. 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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to employ SBM Services 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. The checks carried out in the current period included:

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- review of administration, finance and management systems
- review of Governance
- review of income collection, debt management and funding reconciliations

The internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The appointee has delivered their schedule of work and no material control issues arose as a result of their work.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

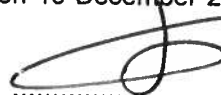
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trust Board and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf

by:



.....
Elizabeth Leeman
Chair of Trustees



.....
James Roach
Accounting Officer

INCLUSIVE MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Inclusive Multi Academy 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.



James Roach
Accounting Officer
Date: 15 December 2020

INCLUSIVE MULTI ACADEMY 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 . 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:

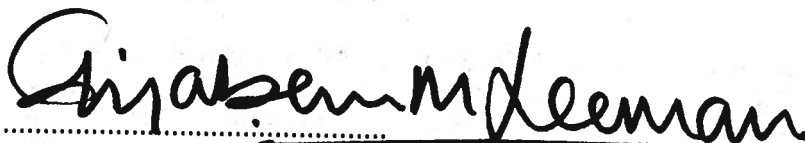
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:



.....
Elizabeth Leeman
Chair of Trustees

INCLUSIVE MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INCLUSIVE MULTI ACADEMY TRUST**

Opinion

We have audited the financial statements of Inclusive Multi Academy 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 Auditor's 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.

INCLUSIVE MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INCLUSIVE MULTI ACADEMY 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 auditor's 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.

INCLUSIVE MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INCLUSIVE MULTI ACADEMY 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Bottom ACA (senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House

51 Clarendon Road
Watford
Herts
WD17 1HP

Date: *21st January 2021*

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

In accordance with the terms of our engagement letter dated 11 November 2016 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 Inclusive Multi Academy 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 Inclusive Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inclusive Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inclusive Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Inclusive Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 October 2016 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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion

INCLUSIVE MULTI ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INCLUSIVE
MULTI ACADEMY 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.

Hillier Hopkins LLP

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date:

21st January 2021

INCLUSIVE MULTI ACADEMY 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	4	5,001	-	2,422,445	2,427,446	90,681
Charitable activities		163,744	5,924,120	-	6,087,864	6,065,348
Other trading activities	6	37,923	-	-	37,923	48,148
Investments	7	1,174	-	-	1,174	676
Total income		207,842	5,924,120	2,422,445	8,554,407	6,204,853
Expenditure on:						
Charitable activities	9	216,337	6,151,716	304,068	6,672,121	6,477,923
Total expenditure		216,337	6,151,716	304,068	6,672,121	6,477,923
Net (expenditure)/income		(8,495)	(227,596)	2,118,377	1,882,286	(273,070)
Transfers between funds	19	(18,521)	-	18,521	-	-
Net movement in funds before other recognised gains/(losses)		(27,016)	(227,596)	2,136,898	1,882,286	(273,070)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	254,000	-	254,000	(958,000)
Net movement in funds		(27,016)	26,404	2,136,898	2,136,286	(1,231,070)
Reconciliation of funds:						
Total funds brought forward		703,115	(2,848,000)	17,788,800	15,643,915	16,874,985
Net movement in funds		(27,016)	26,404	2,136,898	2,136,286	(1,231,070)
Total funds carried forward		676,099	(2,821,596)	19,925,698	17,780,201	15,643,915

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

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10411381

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	17,539,657	17,701,739
Investments	16	75	75
		<u>17,539,732</u>	<u>17,701,814</u>
Current assets			
Debtors	17	2,539,010	187,590
Cash at bank and in hand		1,321,880	1,103,167
		<u>3,860,890</u>	<u>1,290,757</u>
Creditors: amounts falling due within one year	18	(639,421)	(500,656)
		<u>3,221,469</u>	<u>790,101</u>
Net current assets		3,221,469	790,101
Total assets less current liabilities		20,761,201	18,491,915
Net assets excluding pension liability		20,761,201	18,491,915
Defined benefit pension scheme liability	25	(2,981,000)	(2,848,000)
Total net assets		17,780,201	15,643,915
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	19,925,698	17,788,800
Restricted income funds	19	159,404	-
		<u>20,085,102</u>	<u>17,788,800</u>
Restricted funds excluding pension asset	19	20,085,102	17,788,800
Pension reserve	19	(2,981,000)	(2,848,000)
		<u>17,104,102</u>	<u>14,940,800</u>
Total restricted funds	19	17,104,102	14,940,800
Unrestricted income funds	19	676,099	703,115
		<u>17,780,201</u>	<u>15,643,915</u>
Total funds		17,780,201	15,643,915

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10411381

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 24 to 57 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:



.....
Elizabeth Leeman
Chair of Trustees

The notes on pages 28 to 57 form part of these financial statements.

INCLUSIVE MULTI ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	<i>2019</i> <i>£</i>
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(2,062,922)	<i>151,967</i>
Cash flows from investing activities	22	2,281,635	<i>(147,957)</i>
Cash and cash equivalents at the beginning of the year		1,103,167	<i>1,099,157</i>
Cash and cash equivalents at the end of the year	23, 24	1,321,880	<i>1,103,167</i>

The notes on pages 28 to 57 from part of these financial statements

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

1. General information

Inclusive Multi Academy Trust is a charitable company limited by guarantee and an exempt charity. The academy is incorporated in England and Wales. Its registered office is Beech House, 95a Gammons Lane, Watford, England, WD24 5TY.

2. Accounting policies

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

2.1 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.

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

2.2 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.

2.3 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.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

• **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-

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

2. Accounting policies (continued)

2.3 Income (continued)

related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

- **Other income**

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

2.4 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.

2.5 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.

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

2. Accounting policies (continued)

2.6 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.

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%
Furniture and equipment	-	15%
Computer equipment	-	33%

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

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

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

2. Accounting policies (continued)

2.10 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

2.11 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 17. 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 18. 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.

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2. Accounting policies (continued)

2.12 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.

2.13 Fund accounting

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

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

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

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

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3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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 2016 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 judgement:

Depreciation, amortisation and residual values

The trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

4. Income from donations and capital grants

	Unrestricted funds	Restricted fixed asset funds	Total funds
	2020	2020	2020
	£	£	£
Donations	5,001	-	5,001
Capital Grants	-	2,422,445	2,422,445
	<u>5,001</u>	<u>2,422,445</u>	<u>2,427,446</u>

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4. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	13,282	-	13,282
Capital Grants	-	77,399	77,399
	<u>13,282</u>	<u>77,399</u>	<u>90,681</u>

5. Funding for the academy's educational activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,493,156	4,493,156
Pupil Premium	-	290,299	290,299
Rates Relief	-	24,167	24,167
Other ESFA income	-	487,788	487,788
	<u>-</u>	<u>5,295,410</u>	<u>5,295,410</u>
Other government grants			
Other government grants	-	590,365	590,365
	<u>-</u>	<u>590,365</u>	<u>590,365</u>
Other income			
Catering income	79,288	-	79,288
Trip income	43,981	9,568	53,549
Music income	5,598	-	5,598
Supply Teacher insurance income	-	28,777	28,777
Other income	34,877	-	34,877
	<u>163,744</u>	<u>38,345</u>	<u>202,089</u>
	<u>163,744</u>	<u>5,924,120</u>	<u>6,087,864</u>

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5. Funding for the academy's educational activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,520,219	4,520,219
Pupil Premium	-	309,442	309,442
Rates Relief	-	23,001	23,001
Other ESFA income	-	401,331	401,331
	-	5,253,993	5,253,993
Other government grants			
Other government grants	-	535,765	535,765
	-	535,765	535,765
Other income			
Catering income	111,079	-	111,079
Trip income	72,760	-	72,760
Music income	5,732	-	5,732
Supply Teacher insurance income	-	32,461	32,461
Other income	53,558	-	53,558
	243,129	32,461	275,590
	243,129	5,822,219	6,065,348

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Consultancy services	4,031	4,031
Lettings	33,892	33,892
	37,923	37,923

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

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Consultancy services	6,362	6,362
Lettings	41,786	41,786
	<u>48,148</u>	<u>48,148</u>

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	1,174	1,174

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	676	676

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational activities:				
Direct costs	4,207,576	-	586,855	4,794,431
Allocated support costs	1,078,066	459,424	340,200	1,877,690
	<u>5,285,642</u>	<u>459,424</u>	<u>927,055</u>	<u>6,672,121</u>

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8. Expenditure (continued)

	<i>Staff Costs</i> 2019 £	<i>Premises</i> 2019 £	<i>Other</i> 2019 £	<i>Total</i> 2019 £
Educational activities:				
Direct costs	4,191,890	-	691,747	4,883,637
Allocated support costs	866,150	412,581	315,555	1,594,286
	<u>5,058,040</u>	<u>412,581</u>	<u>1,007,302</u>	<u>6,477,923</u>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Educational activities	216,337	6,455,784	6,672,121

	<i>Unrestricted funds</i> 2019 £	<i>Restricted funds</i> 2019 £	<i>Total funds</i> 2019 £
Educational activities	227,033	6,250,890	6,477,923

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational activities	4,794,431	1,877,690	6,672,121

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10. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational activities	4,883,637	1,594,286	6,477,923

Analysis of direct costs

	Educational activities 2020 £	Total funds 2020 £
Staff costs	4,120,866	4,120,866
Teaching and educational supplies	80,491	80,491
Agency staff	86,710	86,710
Staff development	41,026	41,026
Journey expenditure	1,627	1,627
Trip expenditure	52,930	52,930
Catering costs	248,566	248,566
Technology costs	28,644	28,644
Printing, postage and stationery	16,347	16,347
Professional fees	91,926	91,926
Other support costs	25,298	25,298
	<u>4,794,431</u>	<u>4,794,431</u>

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10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Educational activities 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	3,965,606	3,965,606
Teaching and educational supplies	92,993	92,993
Agency staff	226,284	226,284
Staff development	48,193	48,193
Journey expenditure	1,468	1,468
Trip expenditure	72,967	72,967
Catering costs	289,825	289,825
Technology costs	23,610	23,610
Printing, postage and stationery	27,331	27,331
Professional fees	112,805	112,805
Other support costs	22,555	22,555
	<u>4,883,637</u>	<u>4,883,637</u>

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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £	Total funds 2020 £
Pension finance costs	58,000	58,000
Staff costs	1,014,986	1,014,986
Depreciation	304,068	304,068
Teaching and educational supplies	6,836	6,836
Agency staff	5,080	5,080
Support staff costs	1,275	1,275
Recruitment	6,695	6,695
Premises maintenance costs	73,912	73,912
Rent and rates	35,466	35,466
Technology costs	66,469	66,469
Insurance costs	23,209	23,209
Heat and light costs	54,515	54,515
Printing, postage and stationery	3,591	3,591
Cleaning and caretaking costs	60,947	60,947
Professional fees	116,256	116,256
Other support costs	46,385	46,385
	<u>1,877,690</u>	<u>1,877,690</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational activities 2019 £</i>	<i>Total funds 2019 £</i>
Pension finance costs	49,000	49,000
Staff costs	812,938	812,938
Depreciation	233,062	233,062
Teaching and educational supplies	10,187	10,187
Agency staff	4,212	4,212
Support staff costs	1,650	1,650
Recruitment	3,396	3,396
Premises maintenance costs	73,732	73,732
Rent and rates	35,268	35,268
Technology costs	67,100	67,100
Insurance costs	26,300	26,300
Heat and light costs	54,857	54,857
Printing, postage and stationery	2,796	2,796
Cleaning and caretaking costs	54,847	54,847
Professional fees	124,063	124,063
Other support costs	40,878	40,878
	<u>1,594,286</u>	<u>1,594,286</u>

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	235,042	233,062
Fees paid to auditor for:		
- audit	10,600	10,250
- other services	8,950	8,725
	<u>10,600</u>	<u>10,250</u>
	<u>8,950</u>	<u>8,725</u>

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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,673,464	3,642,481
Social security costs	272,920	258,300
Pension costs	1,183,244	838,551
	<u>5,129,628</u>	<u>4,739,332</u>
Agency staff costs	91,790	230,496
Restructuring costs	6,224	39,212
Pension expense	58,000	49,000
	<u>5,285,642</u>	<u>5,058,040</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	6,224	23,024
PILON	-	16,188
	<u>6,224</u>	<u>39,212</u>

b. Staff numbers

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

	2020	2019
Teachers	46	50
Administration/ support	134	131
Management	9	10
	<u>189</u>	<u>191</u>

c. Higher paid staff

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

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NOTES TO THE FINANCIAL STATEMENTS
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12. Staff (continued)

c. Higher paid staff (continued)

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	<i>2</i>
In the band £80,001 - £90,000	1	<i>1</i>
	<u>4</u>	<u><i>3</i></u>

d. 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 £743,278 (2019 £743,686).

13. 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>
		£	<i>£</i>
James Roach	Remuneration	85,000 - 90,000	<i>80,000 - 85,000</i>
	Pension contributions paid	20,000 - 25,000	<i>10,000 - 15,000</i>
Jessie Bruce	Remuneration	n/a	<i>65,000 - 70,000</i>
	Pension contributions paid	n/a	<i>5,000 - 10,000</i>

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined contribution pension schemes.

During the year ended 31 August 2020, expenses totalling £NIL were reimbursed to no Trustee (2019 - £425 to 1 Trustee).

14. 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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15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	17,997,779	82,985	92,022	18,172,786
Additions	102,917	7,458	31,611	141,986
At 31 August 2020	<u>18,100,696</u>	<u>90,443</u>	<u>123,633</u>	<u>18,314,772</u>
Depreciation				
At 1 September 2019	370,998	45,310	54,739	471,047
Charge for the year	272,692	12,649	18,727	304,068
At 31 August 2020	<u>643,690</u>	<u>57,959</u>	<u>73,466</u>	<u>775,115</u>
Net book value				
At 31 August 2020	<u>17,457,006</u>	<u>32,484</u>	<u>50,167</u>	<u>17,539,657</u>
<i>At 31 August 2019</i>	<u>17,626,781</u>	<u>37,675</u>	<u>37,283</u>	<u>17,701,739</u>

16. Fixed asset investments

	Unlisted investments £
Cost	
At 1 September 2019	75
At 31 August 2020	<u>75</u>
Net book value	
At 31 August 2020	<u>75</u>
<i>At 31 August 2019</i>	<u>75</u>

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17. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	393	7,696
Other debtors	47,743	39,375
Prepayments and accrued income	2,490,874	140,519
	2,539,010	187,590
	2,539,010	187,590

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	269,771	186,794
Other taxation and social security	68,933	65,466
Other creditors	95,944	85,337
Accruals and deferred income	204,773	163,059
	639,421	500,656
	639,421	500,656

	2020 £	2019 £
Deferred income at 1 September 2019	101,747	102,798
Resources deferred during the year	134,774	101,747
Amounts released from previous periods	(101,747)	(102,798)
	134,774	101,747
	134,774	101,747

At the balance sheet date, the academy trust was holding funds received in advance for free school meals and trip income relating to the 2020/21 financial period.

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19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	703,115	207,842	(216,337)	(18,521)	-	676,099
Restricted general funds						
General Annual Grant (GAG)	-	4,493,156	(4,333,752)	-	-	159,404
Pupil Premium	-	290,299	(290,299)	-	-	-
Other ESFA Grants	-	511,955	(511,955)	-	-	-
Other Government grants	-	590,365	(590,365)	-	-	-
Other income	-	38,345	(38,345)	-	-	-
Pension reserve	(2,848,000)	-	(387,000)	-	254,000	(2,981,000)
	(2,848,000)	5,924,120	(6,151,716)	-	254,000	(2,821,596)
Restricted fixed asset funds						
Fixed assets	17,701,739	-	(304,068)	141,986	-	17,539,657
Devolved Capital Grant	80,114	26,092	-	(13,873)	-	92,333
Unlisted investments	75	-	-	-	-	75
CIF funding	6,872	2,396,353	-	(109,592)	-	2,293,633
	17,788,800	2,422,445	(304,068)	18,521	-	19,925,698
Total Restricted funds	14,940,800	8,346,565	(6,455,784)	18,521	254,000	17,104,102
Total funds	15,643,915	8,554,407	(6,672,121)	-	254,000	17,780,201

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19. Statement of funds (continued)

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

The General Annual Grant (GAG) fund relates to the Academy's operational activities.

The Fixed Asset fund includes funding received from the ESFA which are carried forward to be used to carry out works of a capital nature.

Included within the Fixed Asset fund is £2,293,633 of CIF funding carried forward for projects at two schools where funding was awarded pre-year end but the schedule of works is being carried out throughout 2020/21 and income is due post-year end, therefore is accrued for an included within debtors.

The Pension reserve relates to the Academy's share of the deficit of the Hertfordshire County Local Government Pension Scheme.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	<i>2019</i>
	£	<i>£</i>
Laurance Haines Primary School	245,728	<i>178,984</i>
Beechfield School	279,175	<i>277,224</i>
Cherry Tree School	310,600	<i>246,907</i>
Inclusive Multi Academy Trust	-	<i>-</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	835,503	<i>703,115</i>
Restricted fixed asset fund	19,925,698	<i>17,788,800</i>
Pension reserve	(2,981,000)	<i>(2,848,000)</i>
	<hr/>	<hr/>
Total	17,780,201	<i>15,643,915</i>
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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19. 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
	£	£	£	£	£
Laurance Haines Primary School	1,461,181	334,464	199,614	147,271	2,142,530
Beechfield School	1,293,309	234,957	168,505	170,741	1,867,512
Cherry Tree School	1,234,322	270,001	192,258	109,291	1,805,872
Inclusive Multi Academy Trust	218,764	238,644	26,478	68,253	552,139
Academy	4,207,576	1,078,066	586,855	495,556	6,368,053

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>
	£	£	£	£	£
Laurance Haines Primary School	1,508,186	246,200	226,508	151,045	2,131,939
Beechfield School	1,235,783	216,330	197,208	162,005	1,811,326
Cherry Tree School	1,251,751	206,603	236,094	107,067	1,801,515
Inclusive Multi Academy Trust	196,170	197,018	31,937	74,956	500,081
Academy	4,191,890	866,151	691,747	495,073	6,244,861

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19. 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						
Self generated income	632,096	305,235	(227,033)	(7,183)	-	703,115
Restricted general funds						
General Annual Grant (GAG)	-	4,520,219	(4,519,828)	(391)	-	-
Pupil Premium	-	309,442	(309,442)	-	-	-
Other ESFA Grants	-	424,332	(424,332)	-	-	-
Other Government grants	-	535,765	(535,765)	-	-	-
Other income	-	32,461	(32,461)	-	-	-
Pension reserve	(1,694,000)	-	(196,000)	-	(958,000)	(2,848,000)
	<u>(1,694,000)</u>	<u>5,822,219</u>	<u>(6,017,828)</u>	<u>(391)</u>	<u>(958,000)</u>	<u>(2,848,000)</u>
Restricted fixed asset funds						
Fixed assets	17,708,769	-	(233,062)	226,032	-	17,701,739
Devolved Capital Grant	56,004	77,399	-	(53,289)	-	80,114
Unlisted investments	75	-	-	-	-	75
CIF funding	172,041	-	-	(165,169)	-	6,872
	<u>17,936,889</u>	<u>77,399</u>	<u>(233,062)</u>	<u>7,574</u>	<u>-</u>	<u>17,788,800</u>
Total Restricted funds	<u>16,242,889</u>	<u>5,899,618</u>	<u>(6,250,890)</u>	<u>7,183</u>	<u>(958,000)</u>	<u>14,940,800</u>

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19. 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 funds	<u>16,874,985</u>	<u>6,204,853</u>	<u>(6,477,923)</u>	<u>-</u>	<u>(958,000)</u>	<u>15,643,915</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestrict ed funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	17,539,657	17,539,657
Fixed asset investments	-	-	75	75
Current assets	678,117	796,807	2,385,966	3,860,890
Creditors due within one year	(2,018)	(637,403)	-	(639,421)
Provisions for liabilities and charges	-	(2,981,000)	-	(2,981,000)
Total	<u>676,099</u>	<u>(2,821,596)</u>	<u>19,925,698</u>	<u>17,780,201</u>

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	-	-	17,701,739	17,701,739
Fixed asset investments	-	-	75	75
Current assets	703,115	500,656	86,986	1,290,757
Creditors due within one year	-	(500,656)	-	(500,656)
Provisions for liabilities and charges	-	(2,848,000)	-	(2,848,000)
Total	<u>703,115</u>	<u>(2,848,000)</u>	<u>17,788,800</u>	<u>15,643,915</u>

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21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020	<i>2019</i>
	£	£
Net income/(expenditure) for the period (as per statement of financial activities)	1,882,286	<i>(273,070)</i>
Adjustments for:		
Depreciation	304,068	<i>233,062</i>
Capital grants from DfE and other capital income	(2,422,445)	<i>(77,399)</i>
Interest receivable	(1,174)	<i>(676)</i>
Defined benefit pension scheme cost less contributions payable	387,000	<i>196,000</i>
(Increase)/decrease in debtors	(2,351,422)	<i>173,444</i>
Increase/(decrease) in creditors	138,765	<i>(99,394)</i>
Net cash (used in)/provided by operating activities	(2,062,922)	<i>151,967</i>

22. Cash flows from investing activities

	2020	<i>2019</i>
	£	£
Purchase of tangible fixed assets	(141,984)	<i>(226,032)</i>
Capital grants from DfE Group	2,422,445	<i>77,399</i>
Interest Received	1,174	<i>676</i>
Net cash provided by/(used in) investing activities	2,281,635	<i>(147,957)</i>

23. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£	£
Cash in hand	1,321,880	<i>1,103,167</i>
Total cash and cash equivalents	1,321,880	<i>1,103,167</i>

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24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,103,167	218,713	1,321,880
	<u>1,103,167</u>	<u>218,713</u>	<u>1,321,880</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 Hertfordshire 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 2016.

Contributions amounting to £93,916 were payable to the schemes at 31 August 2020 (2019 - £81,697) 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 £473,831 (2019 - £325,566).

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 £471,000 (2019 - £458,000), of which employer's contributions totalled £379,000 (2019 - £372,000) and employees' contributions totalled £ 92,000 (2019 - £86,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5%- 12.5% per cent for employees.

As described in note 2.12 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	2019
	%	%
Rate of increase in salaries	2.60	2.40
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	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	2019
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.5
Females	24.1	23.7
<i>Retiring in 20 years</i>		
Males	22.8	22.3
Females	25.5	25.0

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(185)	(180)
CPI rate +0.1%	167	151
Salary increase rate +0.1%	15	25

Share of scheme assets

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

	2020	2019
	£	£
Equities	2,116,000	1,705,000
Corporate bonds	1,398,000	1,357,000
Property	359,000	278,000
Cash and other liquid assets	120,000	140,000
Total market value of assets	3,993,000	3,480,000

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25. Pension commitments (continued)

The actual return on scheme assets was £74,000 (2019 - £256,000).

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

	2020 £	2019 £
Current service cost	(708,000)	(513,000)
Past service cost	-	(6,000)
Interest income	70,000	84,000
Interest cost	(128,000)	(133,000)
Total amount recognised in the Statement of financial activities	(766,000)	(568,000)

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

	2020 £	2019 £
At 1 September	6,328,000	4,460,000
Current service cost	708,000	513,000
Interest cost	128,000	133,000
Employee contributions	92,000	86,000
Actuarial losses	216,000	1,391,000
Benefits paid	(32,000)	-
Past service costs	-	6,000
Change in financial assumptions	(25,000)	(261,000)
Other experience	(441,000)	-
At 31 August	6,974,000	6,328,000

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25. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	3,480,000	2,766,000
Interest income	70,000	84,000
Actuarial gains	470,000	433,000
Employer contributions	379,000	372,000
Employee contributions	92,000	86,000
Benefits paid	(32,000)	-
Changes in demographic assumptions	(25,000)	(261,000)
Other experience	(441,000)	-
At 31 August	3,993,000	3,480,000

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 £
Within 1 year	7,213	8,186
Between 1 and 5 years	6,240	13,454
	13,453	21,640

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.

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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.

During the year, the academy paid £nil (2019: £90) to Hertfordshire Association of School Business Management, an organisation in which the Chief Operating Officer is a member of the management committee, for membership. At the year end £nil (2019: £nil) was due to Hertfordshire Association of School Business Management.

During the year, the academy paid £nil (2019: £1,880) to Muriel Green Nursery School, an entity in which R Blackstaff, previously a Trustee, is a Governor. At the year end £nil (2019: £nil) was due to Muriel Green Nursery School.

Trustees remuneration and expenses have been disclosed in note 12.