
INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017

| | |
|--|--|
| Members | Rebecca Blackstaffe (appointed 5 October 2016) Carley Holliman (appointed 5 October 2016) Jonathan Hartley (appointed 5 October 2016) Jill Steward (appointed 5 October 2016) Roger Gibbs (appointed 5 October 2016) |
| Trustees | Roger Gibbs, Chair (appointed 5 October 2016) James Roach, Chief Executive Officer (appointed 5 October 2016) Rebecca Blackstaffe (appointed 16 November 2016) Jessie Bruce (appointed 20 September 2017) Andrew Chappell (appointed 20 September 2017) Christopher Grimwood (appointed 5 October 2016, resigned 21 February 2017) William Grimwood (appointed 5 October 2016, resigned 20 September 2017) Jonathan Hartley (appointed 5 October 2016, resigned 22 March 2017) Richard Jones, Vice Chair (appointed 5 October 2016) Elizabeth Leeman (appointed 21 February 2017) |
| Company registered number | 10411381 |
| Company name | Inclusive Multi Academy Trust |
| Principal and registered office | Laurance Haines School Vicarage Road Watford Hertfordshire WD18 0DD |
| Chief executive officer | James Roach |
| Senior management team | James Roach, Chief Executive Officer Sharon Carlyon, Chief Operating Officer |
| Independent auditor | Hillier Hopkins LLP Chartered Accountants Radius House 51 Clarendon Road Watford Herts WD17 1HP |

INCLUSIVE MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 5 October 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust consists of one Primary Academy – Laurance Haines School. It has a pupil capacity of 510. In the October 2017 census, it had a roll of 490 which includes 10 children accessing 30 hours Early Years provision, meaning that 500 school places were filled.

Structure, governance and management

Constitution

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

The charitable company's Memorandum and articles of Association are the primary governing documents of the academy trust.

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

The charitable company is known as the Inclusive Multi Academy. The Inclusive Multi Academy Trust is often abbreviated to IMAT.

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

Members' liability

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

Trustees' indemnities

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.

Method of recruitment and appointment or election of Trustees

The Inclusive Multi Academy Trust shall have a minimum of three trustees and shall not be subject to any maximum as detailed in our articles of association. Trustees shall include the Chief Executive Officer and Trustees with relevant skills including (without limitation) Finance, Human Resources, Health and Safety and School Improvement. Initially Trustees were drawn from the Laurance Haines School Governing Body. Over time Members have sought to recruit from the wider community. Prospective Trustees completed a skills audit, met with the Chair of Trustees and the Chief Executive Officer and attended two meetings in an observational role prior to their appointment being ratified. Safer recruitment processes were followed in all appointments.

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

Policies and procedures adopted for the induction and training of Trustees

It is expected that Trustees undertake training as appropriate to their role on the Trust Board. The Trust Board has a contract with Herts for Learning and the National Governance Association to provide guidance, documentation and training to support the induction and development of Trustees. A log is maintained by the Clerk to trustees of all Trustees training. This log is reviewed on a regular basis by Trustees. The Trust will periodically perform a skills audit of Trustees and should any gaps be identified, external training or courses will be offered to address. Recruitment of new Trustees will also be considered to meet this gap.

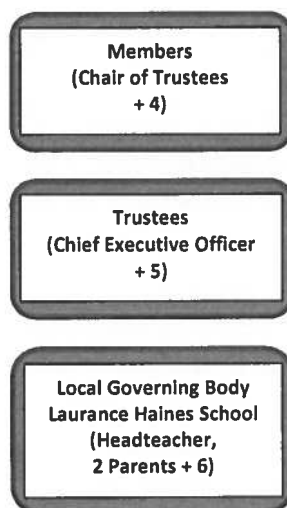
Organisational structure

The Members of the Inclusive Multi Academy Trust have ultimate responsibility for the Trust achieving its charitable objectives. They sign of 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 establish a plan for growth and development. The Local Governing Body has supported the Trust to establish itself during the initial setup period.

The day to day running of each Academy is delegated to the Local Governing Body and in turn the Headteacher who is supported by the Senior Leadership Team.

The structure is illustrated below:



Pay policy for key management personnel

Employees working at strategic level are paid on the same terms and conditions of employment as teaching and support staff, dependent on their role.

Connected organisations, including related party relationships

The Chief Executive Officer is employed as Headteacher of Laurance Haines School (part of the Inclusive Multi Academy Trust) and Beechfield School (Hertfordshire maintained School).

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

Objectives and Activities

Objects and aims

The Inclusive Multi Academy Trust Vision:

Inspiring and nurturing our children and their community to be the very best that they can be.

The Inclusive Multi Academy Trust Schools will:

- Ensure that all of their children feel welcomed and valued
- Adopt an innovative and collaborative approach to learning with the emphasis on enjoyment
- Provide a supportive network and guidance for all staff
- Promote inclusivity and respect for all, thereby developing good citizenship
- Engage fully with and contribute substantially to their local communities
- Ensure that all of their children are fully equipped for futures in and beyond their further education

Objectives, strategies and activities

The Inclusive Multi Academy Trust is child centered. We are committed to ensuring best value for money to ensure 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. As a result our schools are a central hub for the wonderfully diverse community that we serve.

Public benefit

The Inclusive Multi Academy Trust is a charitable company which seeks to benefit the public through the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

Achievements and performance

Key performance indicators

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

Assessment data:

The Trust maintains high results compared to the national average:

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

| KS2 2017 | Laurance Haines School Performance | National |
|--|---|-----------------|
| Reading % Achieving expected standard | 68% | 71% |
| Reading % Achieving a higher standard | 18% | 25% |
| Writing % Achieving expected standard | 93% | 76% |
| Writing % Achieving a higher standard | 28% | 18% |
| Maths % Achieving expected standard | 97% | 75% |
| Maths % Achieving a higher standard | 25% | 23% |
| EGPS % Achieving expected standard | 94% | 77% |
| EGPS % Achieving a higher standard | 32% | 31% |
| Reading, Writing and Maths combined % Achieving expected standard | 65% | 61% |
| Reading, Writing and Maths combined % Achieving a higher standard | 10% | 9% |

| KS1 Phonics Screening 2017 | Laurance Haines School Performance | National |
|---------------------------------------|---|-----------------|
| % Y1 reaching expected standard | 91.7% | 81% |

Pupil Attendance:

Pupil attendance was 95.8%. This is in line with the national average of 95.4%.

Ofsted inspection judgments:

In November 2016, Ofsted judged Laurance Haines School as Good. Leadership and Management as well as Behaviour and Safety of Pupils were both judged Outstanding.

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

Some key points from the report:

- Governors are experienced and knowledgeable.
- Teaching is good throughout the school and some is outstanding.
- Pupils achieve well and make good progress.
- By the time pupils leave Year 6, standards overall are above the national average.
- The school prepares pupils very well for life in modern British society. They are taught to be tolerant and accepting, to value people's differences and to celebrate diversity.
- Parents are very happy with the school. They appreciate its inclusive and welcoming climate and say that the school is 'like a family'.
- The school's curriculum is broad and balanced.
- Social, moral, spiritual and cultural development is threaded through everything that the school does and is a particular strength.
- Relationships between pupils and staff are excellent. Pupils know that their teachers want them to succeed and they try very hard as a result.

Staff recruitment, retention and promotion

In the most recent staff survey:

- 96% of staff stated that they enjoyed working at Laurance Haines School.
- 88% felt that the school made appropriated provision for their professional development.
- 90% felt that the school was well managed by the leadership team.
- All teaching staff in September 2017 met national standards to receive incremental payment where available. Staff retention is strong. During 2016-17, 9 members of staff resigned (less than 2%). Staff exit surveys are undertaken and the results gave Trustees no cause for concern.
- Recruitment in South West Hertfordshire remains difficult and the school places a high priority on staff well being.

Going concern

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

Financial review

Reserves policy

The board of trustees reviews the Reserve Policy annually to ensure the stability of the academy's operations. Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk. The Trustees have determined that the appropriate level of unrestricted reserves to be held for non-earmarked expenditure should equate to 3% of total funds to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies.

Material investments 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 and

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

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 in order 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 value of £25.

Principal risks and uncertainties

The Trust maintains a Risk Register, which is reviewed at least annually. A key financial risk is around future funding from Government which remains uncertain given changes to the National Funding Formula.

Plans for future periods

Future developments

The Trust is committed to providing outstanding education and opportunities for all of our pupils. The Headteacher and Senior Leaders are continuing to review the curriculum provision to ensure that our children experience fun, interesting and exciting learning, focused around a variety of practical activities with tangible outcomes.

We are intending to expand in 2017/18 when we are expecting two further primary schools to join the Trust

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2017 and signed on its behalf by:


.....
Roger Gibbs
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.

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 8 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------------------------|-------------------|-------------------|
| Roger Gibbs, Chair | 6 | 8 |
| James Roach, Chief Executive Officer | 8 | 8 |
| Rebecca Blackstaffe | 8 | 8 |
| Christopher Grimwood | 1 | 4 |
| William Grimwood | 7 | 8 |
| Jonathan Hartley | 1 | 4 |
| Richard Jones, Vice Chair | 7 | 8 |
| Elizabeth Leeman | 5 | 6 |

Over this period the Trust has worked closely with the Laurance Haines Governing Body to ensure a smooth transition process. In September 2017, the committees were restructured to provide clear separation between the Trust and the local Governing Board.

A skills audit was undertaken in July 2017 to highlight skills required for the recruitment of additional Trustees as the Trust expands. A further review will be undertaken July 2018.

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 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 staff absence insurance, brought a significant reduction in the annual premium for one of the joining schools. In September 2017, the Trust recruited a central finance team. It is hoped this centralisation of services will enhance the quality of service, consistency of practice and realise monetary efficiencies.

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GOVERNANCE STATEMENT (continued)

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 the period 5 October 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 5 October 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the Governing Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Howard Wilson as internal auditor.

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

- Review of monthly management accounts and control accounts
- Review of delegation limits
- Review of bank reconciliation procedures
- Review of income and expenditure controls
- Review of payroll controls
- Review of risk register and business continuity plan

On a quarterly basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The appointee has delivered their schedule of work as planned and no material control issues arose as a result of their work.

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GOVERNANCE STATEMENT (continued)

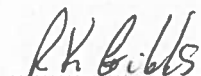
Review of Effectiveness

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

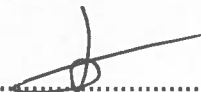
- The work of the internal auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Governing 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 18 December 2017 and signed on their behalf, by:



.....
Roger Gibbs
Chair of Trustees



.....
James Roach
Accounting Officer

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

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

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



.....
James Roach
Accounting Officer

Date: 18 December 2017

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



.....
Roger Gibbs
Chair of Trustees

Date: 18 December 2017

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

This report is made solely to the 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.

In our opinion the financial statements:

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

Basis of 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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's or to cease operations, or have no realistic alternative but to do so.

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

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. The description forms part of our Auditor's report.



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: 20th December 2017

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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 2016 to 2017, 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 period 5 October 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Inclusive Multi Academy Trust and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inclusive Multi Academy Trust and the 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 5 October 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 5 October 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 20th December 2017

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|
| Income from: | | | | | |
| Donations & capital grants: | | | | | |
| Transfer from local authority on conversion | 2 | 221,079 | (786,000) | 5,415,556 | 4,850,635 |
| Other donations and capital grants | 2 | - | 8,809 | 13,838 | 22,647 |
| Charitable activities | 3 | 120,406 | 1,734,626 | - | 1,855,032 |
| Other trading activities | 4 | 81,414 | - | - | 81,414 |
| Investments | 5 | 115 | - | - | 115 |
| Total income | | 423,014 | 957,435 | 5,429,394 | 6,809,843 |
| Expenditure on: | | | | | |
| Raising funds | | 2,538 | - | - | 2,538 |
| Charitable activities | | 85,113 | 1,969,060 | 50,629 | 2,104,802 |
| Total expenditure | 8 | 87,651 | 1,969,060 | 50,629 | 2,107,340 |
| Net income / (expenditure) before transfers | | 335,363 | (1,011,625) | 5,378,765 | 4,702,503 |
| Transfers between Funds | 19 | (164,273) | 147,625 | 16,648 | - |
| Net income / (expenditure) before other recognised gains and losses | | 171,090 | (864,000) | 5,395,413 | 4,702,503 |
| Actuarial losses on defined benefit pension schemes | 24 | - | (33,000) | - | (33,000) |
| Net movement in funds | | 171,090 | (897,000) | 5,395,413 | 4,669,503 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | - | - | - | - |
| Total funds carried forward | | 171,090 | (897,000) | 5,395,413 | 4,669,503 |

All of the academy's activities derive from acquisitions in the current financial period.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ |
|--|------|----------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 15 | | 5,381,550 |
| Investments | 16 | | 25 |
| | | | <u>5,381,575</u> |
| Current assets | | | |
| Debtors | 17 | 118,857 | |
| Cash at bank and in hand | | 245,087 | |
| | | <u>363,944</u> | |
| Creditors: amounts falling due within one year | 18 | (179,016) | |
| Net current assets | | | <u>184,928</u> |
| Total assets less current liabilities | | | <u>5,566,503</u> |
| Defined benefit pension scheme liability | 24 | | (897,000) |
| Net assets including pension scheme liabilities | | | <u><u>4,669,503</u></u> |
| Funds of the academy | | | |
| Restricted income funds: | | | |
| Restricted income funds excluding pension liability | | 5,395,413 | |
| Pension reserve | | (897,000) | |
| Total restricted income funds | | | <u>4,498,413</u> |
| Unrestricted income funds | 19 | | 171,090 |
| Total funds | | | <u><u>4,669,503</u></u> |

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



Roger Gibbs
Chair of Trustees

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

| | Note | Period Ended 31 August 2017 £ |
|--|------|--|
| Cash flows from operating activities | | |
| Net cash provided by operating activities | 21 | <u>247,897</u> |
| Cash flows from investing activities: | | |
| Purchase of tangible fixed assets | | (16,648) |
| Capital funding received from sponsors and others | | <u>13,838</u> |
| Net cash used in investing activities | | <u>(2,810)</u> |
| Change in cash and cash equivalents in the period | | 245,087 |
| Cash and cash equivalents brought forward | | - |
| Cash and cash equivalents carried forward | 22 | <u><u>245,087</u></u> |

All of the cash flows are derived from acquisitions in the current financial period.

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

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

1.2 Going concern

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

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

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

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

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

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

| | | |
|------------------------------|---|----------------------|
| Long-term leasehold property | - | 2% straight line |
| Fixtures and fittings | - | 15% straight line |
| Computer equipment | - | 33.33% straight line |

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

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.6 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

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

1.10 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs 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 instruments.

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.13 Conversion to an academy trust

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

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

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

1.14 Fund accounting

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

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

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

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation, amortisation and residual values

The governors 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.

2. Income from donations and capital grants

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|---|------------------------------------|----------------------------------|---|-----------------------------|
| Transfer from local authority on conversion | 221,079 | (786,000) | 5,415,556 | 4,850,635 |
| Donations | - | 8,809 | - | 8,809 |
| Capital grants | - | - | 13,838 | 13,838 |
| | <u>221,079</u> | <u>(777,191)</u> | <u>5,429,394</u> | <u>4,873,282</u> |

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

3. Funding for Academy's educational operations

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | - | 1,461,082 | 1,461,082 |
| Other EFA income | - | 4,202 | 4,202 |
| Rates Relief | - | 7,867 | 7,867 |
| | <u>-</u> | <u>1,473,151</u> | <u>1,473,151</u> |
| Other government grants | | | |
| Other government grants | - | 165,966 | 165,966 |
| Pupil Premium | - | 90,748 | 90,748 |
| | <u>-</u> | <u>256,714</u> | <u>256,714</u> |
| Other funding | | | |
| Catering income | 51,602 | - | 51,602 |
| Trip income | 33,403 | - | 33,403 |
| Other income | 32,911 | 4,761 | 37,672 |
| Music | 2,490 | - | 2,490 |
| | <u>120,406</u> | <u>4,761</u> | <u>125,167</u> |
| | <u><u>120,406</u></u> | <u><u>1,734,626</u></u> | <u><u>1,855,032</u></u> |

4. Other trading activities

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|
| Fundraising activities | 2,930 | - | 2,930 |
| Consultancy services | 57,658 | - | 57,658 |
| Lettings | 20,826 | - | 20,826 |
| | <u>81,414</u> | <u>-</u> | <u>81,414</u> |
| | <u><u>81,414</u></u> | <u><u>-</u></u> | <u><u>81,414</u></u> |

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

5. Investment income

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|
| Bank interest | 115 | - | 115 |

6. Direct costs

| | Educational activities £ | Total 2017 £ |
|-----------------------------------|--------------------------------|--------------------|
| Teaching and educational supplies | 51,649 | 51,649 |
| Agency staff | 40,707 | 40,707 |
| Staff development | 23,866 | 23,866 |
| Educational consultancy | 27,879 | 27,879 |
| Trip expenditure | 36,818 | 36,818 |
| Catering costs | 105,624 | 105,624 |
| Technology costs | 3,458 | 3,458 |
| Wages and salaries | 1,033,572 | 1,033,572 |
| National insurance | 75,434 | 75,434 |
| Pension cost | 190,776 | 190,776 |
| | <u>1,589,783</u> | <u>1,589,783</u> |

INCLUSIVE MULTI ACADEMY TRUST
(A company limited by guarantee)

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

7. Support costs

| | Educational activities £ | Total 2017 £ |
|----------------------------------|--------------------------------|--------------------|
| Pension expense | 20,000 | 20,000 |
| Journey expenditure | 929 | 929 |
| Support staff costs | 27,432 | 27,432 |
| Recruitment | 2,090 | 2,090 |
| Premises maintenance costs | 34,750 | 34,750 |
| Rent and rates | 11,043 | 11,043 |
| Technology costs | 21,517 | 21,517 |
| Insurance costs | 10,051 | 10,051 |
| Heat and light costs | 14,909 | 14,909 |
| Printing, postage and stationery | 3,382 | 3,382 |
| Cleaning and caretaking costs | 4,592 | 4,592 |
| Professional fees | 16,388 | 16,388 |
| Other support costs | 9,767 | 9,767 |
| Governance | 8,249 | 8,249 |
| Wages and salaries | 170,795 | 170,795 |
| National insurance | 8,269 | 8,269 |
| Pension cost | 100,227 | 100,227 |
| Depreciation | 50,629 | 50,629 |
| | <u>515,019</u> | <u>515,019</u> |

8. Expenditure

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ |
|------------------------------------|--------------------------|-----------------------|--------------------------|--------------------|
| Expenditure on fundraising trading | - | - | 2,538 | 2,538 |
| Educational activities: | | | | |
| Direct costs | 1,340,489 | - | 249,294 | 1,589,783 |
| Support costs | 279,291 | 111,065 | 124,663 | 515,019 |
| | <u>1,619,780</u> | <u>111,065</u> | <u>376,495</u> | <u>2,107,340</u> |

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

9. Net income/(expenditure)

This is stated after charging:

| | Period Ended 31 August 2017 £ |
|--|--|
| Depreciation of tangible fixed assets: | |
| - owned by the charity | 50,629 |
| Audit fee | 5,250 |
| | <u>55,879</u> |

10. Central services

No central services were provided by the academy to its academies during the period and no central charges arose.

11. Other finance income

| | Period Ended 31 August 2017 £ |
|--|--|
| Interest income on pension scheme assets | 19,000 |
| Interest on pension scheme liabilities | (39,000) |
| | <u>(20,000)</u> |

INCLUSIVE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

12. Staff costs

Staff costs were as follows:

| | Period Ended 31 August 2017 £ |
|--|--|
| Wages and salaries | 1,204,367 |
| Social security costs | 83,703 |
| Operating costs of defined benefit pension schemes | 291,003 |
| | <hr/> |
| | 1,579,073 |
| Supply teacher costs | 40,707 |
| | <hr/> |
| | 1,619,780 |

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

| | Period Ended 31 August 2017 No. |
|------------------------|--|
| Teachers | 21 |
| Administration/Support | 53 |
| Management | 6 |
| | <hr/> |
| | 80 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £50,000 was:

| | Period Ended 31 August 2017 No. |
|-------------------------------|--|
| In the band £50,001 - £60,000 | 1 |

Of the above employees, one participated in the Teachers Pension Scheme. During the period ended 31 August 2017, employer's pension contributions for this staff member amounted to £9,836.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £256,352.

INCLUSIVE MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

13. Trustees' and Officers' Insurance

The academy trust has opted into the Department for 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.

14. Trustees' remuneration and expenses

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

| | | Period Ended 31 August 2017 £ |
|-------------|----------------------------|--|
| James Roach | Remuneration | 55,000-60,000 |
| | Pension contributions paid | 5,000-10,000 |

During the Period ended 31 August 2017, no Trustees received any reimbursement of expenses.

15. Tangible fixed assets

| | Long-term leasehold property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--------------------------|---|-------------------------------|----------------------------|------------|
| Cost | | | | |
| At 5 October 2016 | - | - | - | - |
| Additions | - | 8,237 | 8,411 | 16,648 |
| On conversion to academy | 5,385,000 | 17,003 | 13,528 | 5,415,531 |
| At 31 August 2017 | 5,385,000 | 25,240 | 21,939 | 5,432,179 |
| Depreciation | | | | |
| At 5 October 2016 | - | - | - | - |
| Charge for the period | 40,283 | 2,728 | 7,618 | 50,629 |
| At 31 August 2017 | 40,283 | 2,728 | 7,618 | 50,629 |
| Net book value | | | | |
| At 31 August 2017 | 5,344,717 | 22,512 | 14,321 | 5,381,550 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

15. Tangible fixed assets (continued)

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

- The acquisition of the long-term leasehold property on transfer of Laurance Haines Primary School into the trust at the value detailed in Note 22. The building was donated by the local authority and the trust pays a peppercorn rent over a term of 125 years.

16. Fixed asset investments

| | Unlisted securities £ |
|-------------------|-----------------------------|
| Cost | |
| At 5 October 2016 | - |
| Additions | 25 |
| | <hr/> |
| At 31 August 2017 | 25 |
| | <hr/> <hr/> |

Investments at cost comprise:

| | 2017 £ |
|----------------------|-------------|
| Unlisted investments | 25 |
| | <hr/> <hr/> |

All the investments are held in the UK

17. Debtors

| | 2017 £ |
|--------------------------------|-------------|
| Trade debtors | 13,830 |
| Other debtors | 52,602 |
| Prepayments and accrued income | 52,425 |
| | <hr/> |
| | 118,857 |
| | <hr/> <hr/> |

18. Creditors: Amounts falling due within one year

| | 2017 £ |
|------------------------------|-------------|
| Trade creditors | 49,298 |
| Other creditors | 65,743 |
| Accruals and deferred income | 63,975 |
| | <hr/> |
| | 179,016 |
| | <hr/> <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year (continued)

At the balance sheet date the academy trust was holding grants received in advance for the autumn term 2017.

Deferred income

Resources deferred during the year **£**
34,287

19. Statement of funds

| | Balance at 5 October 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Losses £ | Balance at 31 August 2017 £ |
|--|--------------------------------------|-------------|------------------|--------------------------|-------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | - | 423,014 | (87,651) | (164,273) | - | 171,090 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | - | 1,461,082 | (1,608,707) | 147,625 | - | - |
| Pupil Premium | - | 90,748 | (90,748) | - | - | - |
| Other ESFA Grants | - | 12,069 | (12,069) | - | - | - |
| Other Government Grants | - | 165,966 | (165,966) | - | - | - |
| Donations | - | 8,809 | (8,809) | - | - | - |
| Other income | - | 4,761 | (4,761) | - | - | - |
| Pension reserve | - | (786,000) | (78,000) | - | (33,000) | (897,000) |
| | - | 957,435 | (1,969,060) | 147,625 | (33,000) | (897,000) |
| Restricted fixed asset funds | | | | | | |
| Land and buildings donated on conversion | - | 5,385,000 | (40,283) | - | - | 5,344,717 |
| Other fixed assets | - | 30,531 | (10,346) | 16,648 | - | 36,833 |
| Devolved capital grant | - | 13,838 | - | - | - | 13,838 |
| Unlisted investments | - | 25 | - | - | - | 25 |
| | - | 5,429,394 | (50,629) | 16,648 | - | 5,395,413 |
| Total restricted funds | - | 6,386,829 | (2,019,689) | 164,273 | (33,000) | 4,498,413 |
| Total of funds | - | 6,809,843 | (2,107,340) | - | (33,000) | 4,669,503 |

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.

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19. Statement of funds (continued)

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.

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

In the period ending 31 August 2017, the Laurance Haines Primary School donated all of its assets to the trust. The transfer during the period ending 31 August 2017 has been limited to the value of donated assets.

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 2017.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

| | Total 2017 £ |
|--------------------------------|-----------------------------|
| Laurance Haines Primary School | 171,090 |
| Restricted fixed asset fund | 5,395,413 |
| Pension reserve | (897,000) |
| Total | 4,669,503 |

Analysis of academies by cost

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciat- ion £ | Total 2017 £ |
|--------------------------------|---|--|---------------------------------------|---|-----------------------------|
| Laurance Haines Primary School | 1,340,389 | 221,291 | 296,278 | 118,115 | 1,976,073 |

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 5,381,550 | 5,381,550 |
| Fixed asset investments | - | - | 25 | 25 |
| Current assets | 171,090 | 179,016 | 13,838 | 363,944 |
| Creditors due within one year | - | (179,016) | - | (179,016) |
| Provisions for liabilities and charges | - | (897,000) | - | (897,000) |
| | <u>171,090</u> | <u>(897,000)</u> | <u>5,395,413</u> | <u>4,669,503</u> |

21. Reconciliation of net movement in funds to net cash flow from operating activities

| | Period Ended 31 August 2017 £ |
|--|--|
| Net income for the year (as per Statement of Financial Activities) | 4,702,503 |
| Adjustment for: | |
| Depreciation charges | 50,629 |
| Increase in debtors | (118,857) |
| Increase in creditors | 179,016 |
| Capital grants from DfE and other capital income | (13,838) |
| Defined benefit pension scheme obligation inherited | 786,000 |
| Defined benefit pension scheme cost less contributions payable | 78,000 |
| Assets and liabilities from local authority on conversion | (5,415,556) |
| Net cash provided by operating activities | <u>247,897</u> |

22. Analysis of cash and cash equivalents

| | Period Ended 31 August 2017 £ |
|--------------|--|
| Cash in hand | 245,087 |
| Total | <u>245,087</u> |

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23. Conversion to an academy trust

On 1 November 2016 Laurance Haines Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Inclusive Multi Academy Trust from Hertfordshire County Council for £nil consideration.

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

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|---|----------------------------|--------------------------|---|---------------------|
| Tangible fixed assets | | | | |
| - Freehold/leasehold land and buildings | - | - | 5,385,000 | 5,385,000 |
| - Other tangible fixed assets | - | - | 30,531 | 30,531 |
| Other assets | 221,079 | - | 25 | 221,104 |
| LGPS pension surplus/(deficit) | - | (786,000) | - | (786,000) |
| Net assets/(liabilities) | <u>221,079</u> | <u>(786,000)</u> | <u>5,415,556</u> | <u>4,850,635</u> |

The above net assets include £221,079 that was transferred as cash.

The lease terms on the property is 125 years.

24. Pension commitments

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

As described in note 23 the LGPS obligation relates to the employees of the academy trust, 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 ending 31 August 2017. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Contributions amounting to £14,527 were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

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24. Pension commitments (continued)

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £190,776.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £150,000, of which employer's contributions totalled £121,000 and employees' contributions totalled £29,000. The agreed contribution

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24. Pension commitments (continued)

rates for future years are 25.3% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

| | 2017 |
|--|---------------|
| Discount rate for scheme liabilities | 2.50 % |
| Rate of increase in salaries | 2.50 % |
| Rate of increase for pensions in payment / inflation | 2.40 % |

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

| | 2017 |
|----------------------|-------------|
| Retiring today | |
| Males | 22.5 |
| Females | 24.9 |
| Retiring in 20 years | |
| Males | 24.1 |
| Females | 26.7 |

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

| | Fair value at 31 August 2017 £ |
|-------------------------------------|---|
| Equities | 620,000 |
| Corporate bonds | 239,000 |
| Property | 67,000 |
| Cash and other liquid assets | 28,000 |
| Total market value of assets | 954,000 |

The actual return on scheme assets was £93,000.

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

| | Period Ended 31 August 2017 £ |
|----------------------|--|
| Current service cost | (179,000) |
| Interest income | 19,000 |
| Interest cost | (39,000) |
| | <hr/> |
| Total | (199,000) |
| | <hr/> <hr/> |

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

| | Period Ended 31 August 2017 £ |
|------------------------------------|--|
| Upon conversion | 1,513,000 |
| Current service cost | 179,000 |
| Interest cost | 39,000 |
| Employee contributions | 29,000 |
| Actuarial losses | 91,000 |
| | <hr/> |
| Closing defined benefit obligation | 1,851,000 |
| | <hr/> <hr/> |

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

| | Period Ended 31 August 2017 £ |
|-------------------------------------|--|
| Upon conversion | 727,000 |
| Interest income | 19,000 |
| Actuarial gains | 58,000 |
| Employer contributions | 121,000 |
| Employee contributions | 29,000 |
| | <hr/> |
| Closing fair value of scheme assets | 954,000 |
| | <hr/> <hr/> |

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25. Operating lease commitments

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

| | |
|-------------------------|-------------------------|
| | 2017 £ |
| Amounts payable: | |
| Within 1 year | 5,106 |
| Between 1 and 5 years | 19,148 |
| Total | 24,254 |

26. 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.

27. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the period, income of £54,393 was received from Beechfield Primary School. James Roach, the Chief Executive Officer, is Headteacher of Beechfield Primary School. At the year end, £10,132 was outstanding and is included within trade debtors.

Trustees' remuneration and expenses have been disclosed in note 14.

28. Post balance sheet events

On the 1 February 2018 it is proposed that two schools being Beechfield Primary School and Cherry Tree Primary School join Inclusive Multi Academy Trust.