

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(FORMERLY SALTASH MULTI ACADEMY REGIONAL TRUST)**

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	B Chalkley B Cook E Forde K Martin K Waghorn P Whitehouse
Trustees	K Waghorn ^{1,5} T Mansell (resigned 3 October 2017) ¹ K George ^{1,3} R Edgeler (resigned 24 January 2018) ¹ D Garland (resigned 15 February 2018) ¹ J Kitson ^{1,3} D Buckley, Chief Executive Officer & Accounting Officer ^{1,5} K Johnson ^{1,5} R Newton-Chance, Chair ^{1,4,5} S Brownlow (appointed 6 April 2018) ^{1,3,4} B Cook (appointed 28 March 2018) ^{1,4} P Robinson (appointed 28 February 2018, resigned 11 June 2018) ¹
	¹ Trust Board ³ Audit Committee ⁴ Remuneration Committee ⁵ Admissions Committee
Company registered number	07542166
Company name	South East Cornwall Multi Academy Regional Trust
Principal and Registered office	Saltash.Net Community School Wearde Road Saltash Cornwall PL12 4AY
Company secretary	D Stoneman
Accounting Officer	D Buckley
Senior Management Team	D Buckley, Chief Executive Officer J Lumbard, Chief Financial Officer T Gray, Dobwalls Headteacher E Best, Landulph Headteacher A Linguard, Liskeard Headteacher H Jenkins, Looe Headteacher K Littleddyke, Saltash.net Headteacher V Lovell, Trewidland Headteacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Lloyds Bank plc
3 - 9 Raleigh Street
Plymouth
Devon
PL1 1EU

Solicitors

Wolferstans Solicitors
60-66 North Hill
Plymouth
Devon
PL4 8EP

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 3 primary and 3 secondary academies in the South East Cornwall area. Its Academies have a combined pupil capacity of 3,957 and had a roll of 3,076 in the school census in October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

SMART (South East Cornwall Multi Academy Regional Trust) is a 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.

The Trustees of South East Cornwall Multi Academy Regional Trust are also the directors of the charitable company for the purposes of company law. The academies are known as Dobwalls Community Primary, Landulph School, Liskeard School and Community College, Looe Community Academy, saltash.net community school and Trewidland Community Primary School.

Details of the Trustees who served throughout the year, are included in the Reference and Administration Details on page 1 and 2..

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 they cease to be a member.

Trade union facility time

During 2017/18 this was not relevant.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at SMART's expense to cover the liability of the Trustees which by 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 SMART, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of SMART. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

Nominations for co-opted trustees will be requested by a specified date. These nominations must be made in writing and include the reasons why the nominee wishes to become a Trustee and the attributes they can bring to the Trust Board. Depending on the role, these nominations will be considered by the Trustees and/or Members of SMART who will decide the successful candidate. The appointment is subject to the issue of a satisfactory enhanced DBS check, completed application forms and skills audit and a successful interview.

When appointing new Trustees and depending on the role, the Trust Board and/or Members, will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Trust Board has the necessary skills to contribute fully to the MAT's development.

The Trust also recruits via specialist agencies both for Directors and Members. The same process is applied irrespectively.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust Board believe it is essential that all new Trustees receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure that new Trustees are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of Trustees.

In order to achieve this, new Trustees will:

- Be sent an email by the Chair of the Trust Board welcoming the new Trustee
- Be sent an email by the Clerk to the Trust Board with the dates of future meetings and location details
- Meet with the Chair of Trustees who will give the new Trustee the relevant documents and other information as required
- Be contacted by the CEO of SMART to arrange a meeting where they will cover the background, the schools and the current issues facing SMART
- Be allocated an experienced Director as mentor who will be available for on-going support
- Be encouraged to undertake further governance and other CPD

Organisational Structure

SMART comprises three secondary schools – Liskeard School and Community College, Looe Community Academy and saltash.net community school and three primary schools – Dobwalls Community Primary, Landulph School and Trewidland Community Primary School.

The trustees of SMART are responsible for setting policies to be used within the Trust, adopting and monitoring an annual plan and budget, and determining the key strategic direction of the Trust. Each school also has its own Local Governing Committee responsible for the scrutiny of policies and practices with their responsibilities set out in a scheme of delegation. Local Governors at each of the schools are linked to a trustee on the Trust Board dependant on their skills which are relevant to the particular trustee's portfolio. The Trust Board normally meets twice each term to undertake business and receive reports from the Local Governing Committee of each school.

The current organisation structure consists of the Members, Trustees, Chief Executive Officer and Headteachers. The Headteachers are supported by Senior Leadership Teams and, in the secondary schools, by Departmental Heads. The Headteachers and Senior Leadership Teams control the Academies at an executive level implementing the policies laid down by the Trustees and reporting back to them. They are also responsible for the authorisation of spending within agreed budgets with some spending control being devolved to the Departmental Heads with limits set out within the Trust's scheme of delegation. Also reporting to the Chief Executive Officer, is a Central Business Unit team, which includes the Chief Financial Officer.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Chief Executive Officer, the Chief Financial Officer, the Head teachers and the senior leadership teams comprise the key management personnel of the Academies in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year for their role as Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with the Trust's Pay Policy.

Related Parties and other Connected Charities and Organisations

SMART has no connected organisations or related party relationships so is therefore not exposed to any impact this may have on the operating policies of the Trust.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

OBJECTIVES AND ACTIVITIES

Objects and Aims

As set out in the Memorandum and Articles of Association, the object of SMART is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Held at the core of the Multi Academy Trust, its vision provides an agreed statement of what it wants to achieve together. It allows the Trust to set the defined direction of its development at the level of the individual school as well as more widely across the MAT.

SMART Learners

- Every child and adult constantly striving for excellence in all areas of learning.
- Positive recognition of achievement in all its forms and at all levels ensuring every learner feels both supported and challenged.
- Creating strong partnerships with peers and parents to maximise the progress of all learners.

SMART Leaders

- Every child and adult having opportunities to demonstrate and develop their leadership.
- Schools, governors, staff and children being empowered to be active in developing their own character and owning their own futures.
- Headteachers and Governors earning autonomy for their school and actively engaging in system leadership regionally, nationally and internationally.

SMART Communities

- One Trust, working together to focus on the needs of all learners at all phases across South East Cornwall.
- Inclusive local schools with all children and adults making positive contributions as good citizens to strengthen local communities.
- All children and adults feeling safe within a caring and nurturing community in which mutual respect and kindness are non-negotiable.

Objectives, Strategies and Activities

The main strategic objectives and activities of the Trust are underpinned by its EQUIP principles (Expect the best, Question deeply, Understand our goals, Inspire a love of learning and Praise achievement) which are applied to all of its work from classroom practice to Trust Board meetings.

At present these are:

- To remove disadvantage so all children make good progress and evaluated intervention is applied.
- To challenge the most able by questioning deeply for understanding and having the highest aspiration for achievement.
- To personalise learning for all by integrating academic and wellbeing skills in a broad, balanced curriculum.
- To develop leaders at all levels by distributed leadership for all adults and talent management for succession.
- To support excellent governance so all governors, directors and clerks are provided with high quality training.
- To inspire improved teaching by a critical friends peer review to enhance and share best practice for system leadership.
- To grow the MAT sustainably by building capacity ahead of growth.
- For schools to act as community hubs by all children being active citizens and parents are engaged in deep partnership.
- To grow partner networks by establishing training school alliances, MAT MoUs and global connections.
- To ensure that financial stability and risk management underpins all of our work.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

**Achievements and Performance
Dobwalls Community Primary School**

Academic Headline KS1	Cohort Size	Expected standards	Greater Depth	SEN (EHP)	Pupil Premium	Non Pupil Premium	Disaggregated e.g. transient
Phonics Year 1	30	93%	n/a	0%	66.6%	96.2%	
Phonics Year 2	9	89%	n/a	50%	100%	85.7%	
Maths	27	66.7%	14.8%	33.3%	80%	63.6%	
Writing	27	51.9%	11.1%	0%	40%	54.5%	
Reading	27	70.4%	25.9%	33.3%	80%	68.1%	
Combined score		48.1%	7.4%	0%	40%	50%	
Combined scaled							

Academic Results KS2	Results 2018	Greater Depth	SEN (EHP)	Pupil Premium	Non Pupil Premium	Disaggregated e.g. transient
Cohort Size	30		3	9	21	26
Maths	66.7%	0%	0%	55.6%	71.4%	73%
Writing	73.3%	20%	0%	77.8%	71.4%	76.9%
Reading	60%	7%	0%	44.4%	66.7%	69.2%
Combined score	53.3%	0%	0%	33.3%	61.9%	61.5%
Combined scaled	101.1		90.1	99.9	101.6	101.9
Progress Maths *	-5.0		-8.8	-5.2	-4.9	
Progress Writing*	-1.8		-6.9	-0.1	-2.4	
Progress Reading*	-4.7		-10.2	-5.1	-4.6	

*Validated data not yet available. Where possible, current un-validated estimates have been provided.

Changes in pupil numbers: The number of pupils has decreased from 184 to 183.

Student attendance for last year was: 95.5%

External visits or audits

- DfE Educational Advisor

Sporting achievements include

- Inter-school Sports Kernow Cup Winners

Performing arts achievements include

- Songfest 2018

Academic achievements include

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- See above

Landulph School

Academic Headline KS1	Cohort Size	Expected standards	Greater Depth	SEN K	Pupil Premium	Non Pupil Premium	Disaggregated e.g. transient
Phonics Year 1	7	71%	N/A	0%	50%	80%	N/A
Phonics Year 2	2	50%	N/A	50%	0%	50%	N/A
Maths	13	77%	23%	33%	67%	80%	N/A
Writing	13	69%	15%	0%	33%	80%	N/A
Reading	13	77%	31%	33%	67%	80%	N/A
Combined score	13	69%	8%	0%	0%	10%	N/A

Academic Results KS2	Results 2017	Greater Depth	SEN K	Pupil Premium	Non Pupil Premium	Disaggregated e.g. transient
Cohort Size	6					
Maths	83%	50%	50%		83%	80%
Writing	67%	33%	0%		67%	60%
Reading	83%	33%	50%		83%	80%
Combined score	67%	33%	0%		67%	60%
Combined scaled	107.9		98		107.9	104.1
Progress Maths *	3					
Progress Writing*	-1.8					
Progress Reading*	0.9					

*Validated data not yet available. Where possible, current un-validated estimates have been provided.

Changes in pupil numbers: The number of pupils has remained stable at 75

Student attendance for last year was: 96.29%

External visits or audits

- Health and Safety Audit

Sporting achievements include

- Orienteering Champions 2018
- Year 3 and 4 Cross Country team 3rd overall out of 17 schools.

Performing arts achievements include

- Whole School Production – The Jungle Book
- Harvest Festival in the community
- Termly whole school show cases inviting all parents

Academic achievements include

- School Average Scaled Score in Mathematics 109
- Overall progress in maths up to +3
- In line or above national figures in Key Stage 1 and 2 SATS

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Liskeard School and Community College

Academic Headlines KS4	Results 2018	More Able	SEN (EHP)	Pupil Premium	Non pupil premium	Disaggregat e.g. transient
Year 11 cohort	166	63	5	50	116	147
Progress 8	Validated data not yet published					
Attainment 8	42	57	21	34	45	44
Combined score EM 4+	54	94	20	30	64	59
Combined score EM5+	30	65	20	12	38	33
Yr11 APS on entry Y7	4.6	5.3	2.1	4.2	4.8	4.7
Year 11 Maths 4+	60	98	20	36	71	65
Year 11 English 4+	63	95	20	48	70	68
Year 11 Science 4+ (x2)	62	95	20	41	71	64
EBACC aps	3.5	5.7	1.9	2.7	3.8	3.7
Academic Headlines KS5	Results 2018	More Able	SEN (EHP)	Pupil Premium	Non pupil premium	N/A
Number in cohort	67		3	7	60	
ALPS (Progress QI)	2					
APS T score	3					
Av Grade per entry	C+		C	B-	C+	
Av Grade Yr13 on entry	5.86 (45.18)					
16-18 %age Retention	100		100	100	100	
Number courses offered	30					

Changes in pupil numbers: The number of pupils has increased from 1008 to 1028
Student attendance for last year was: 94.1%

External visits or audits

- Peer Review by SMART
- RSC Education Advisor
- Health and Safety Audit

Sporting achievements include

- 5th in the Cornwall School Games (3rd best state school)
- County Champions in Football (U18) and Rowing (both for the second consecutive year)
- Projectability County Champions

Performing arts achievements include

- School of Rock, whole school production
- Spring Cabaret & Music Day
- Art, Photography, Media and Textiles Exhibitions

Academic achievements include

- Top 8% nationally for KS5 Progress (ALPS)
- Progress at KS4 will be better than other similar schools/pupils
- Disaggregated data at KS4 shows 3 year improvement in attainment

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Looe Community Academy

Academic Headlines KS4	Results 2018	More Able	SEN (ECHP)	Pupil Premium	Non pupil premium	Non- Disaggregate d e.g. Non- transient
Year 11 cohort	86	29	3	19	65	83
Progress 8	Validated data not yet published					
Attainment 8	44.35	58.59	27.5	31.56	48.22	44.89
Combined score EM 4+	60.47	93.1	0	40	66.67	62.65
Combined score EM5+	39.53	79.31	0	25	43.94	42.17
Yr11 APS on entry Y7	4.54	5.22	4.03	4.27	4.62	4.55
Year 11 Maths 4+	61.63	96.55	0	40	68.18	63.86
Year 11 English 4+	82.56	96.55	33.33	60	89.39	84.34
Year 11 Science 4+	67.44	93.1	33.33	50	72.73	68.67
EBACC aps	3.86	5.28	2.17	2.68	4.21	3.91
Academic Headlines KS5	Results 2018	More Able	SEN (ECHP)	Pupil Premium	Non pupil premium	N/A
Number in cohort	N/A	N/A	N/A	N/A	N/A	N/A
ALPS (Progress QI)	N/A	N/A	N/A	N/A	N/A	N/A
APS score	N/A	N/A	N/A	N/A	N/A	N/A
Av Grade per entry	N/A	N/A	N/A	N/A	N/A	N/A
Av Grade Yr13 on entry	N/A	N/A	N/A	N/A	N/A	N/A
16-18 %age Retention	N/A	N/A	N/A	N/A	N/A	N/A
Number courses offered	N/A	N/A	N/A	N/A	N/A	N/A

Changes in pupil numbers: The number of pupils has increased from 462 to 483
Student attendance for last year was: 94%

External visits or audits

- Peer review by SMART
- Health and Safety Audit

Sporting achievements include

- Academy Show Jumping Team – overall winners of the Cornish Schools' and Colleges' Show Jumping Competition
- Regular Primary PE Festivals held on site which pupils from local feeder primaries attend.
- Attendance at County Cup matches, English Schools National Cup matches/Football ESFA/ Cross County League/ Cornwall School Games

Performing arts achievements include

- 2018 school production of High School Musical
- Dance workshop and performance at Restormel Castle
- Multiple dance performances at Plymouth Raiders Basketball matches at Plymouth Pavilions
- Performed at the Hall for Cornwall in the Cornwall Secondary Drama Showcase 2018, A Celebration of the Work of Nick Darke

Academic achievements include

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Nearly 40% of students achieved at least one grade 7 or above
- Over 25% of students achieved at least grade 8 or A and above

Saltash.net Community School

Academic Headlines KS4	Results 2018	More Able	SEN (ECHP)	Pupil Premium	Non Pupil Premium	Disaggregated e.g. transient
Year 11 cohort	214	82	9	63	151	199
Progress 8*	-0.47*	Validated data not yet published				
Attainment 8	40.2	52.5	10.06	31.9	43.7	42.49
Combined score EM 4+	58.4	89.0	11.1	38.1	66.9	61.80
Combined score EM5+	32.2	61.0	11.1	19.1	37.7	34.20
Yr11 APS on entry Y7	4.64	5.50	2.76	4.35	4.76	4.73
Year 11 Maths 4+	61	91.5	11.1	39.7	69.5	64.30
Year 11 English 4+	72	93.9	11.1	52.4	79.5	75.90
Year 11 Science 4+	47	85.3	0.0	30.4	57.1	55.10
EBACC aps	3.3	4.5	0.78	2.58	3.66	3.54
Academic Headlines KS5	Results 2017	More Able	SEN (ECHP)	Pupil Premium	Non pupil premium	N/A
Number in cohort	75	24	6			
ALPS (Progress QI)	5	N/A	N/A			
APS score	33.6	Validated data not yet published				
Av Grade per entry	C+	B-	C			
Av Grade Yr13 on entry	6.11					
16-18 %age Retention	94.5%					
Number courses offered	24					

*Validated data not yet available. Where possible, current un-validated estimates have been provided.

Changes in pupil numbers: The number of pupils has decreased from 1312 to 1290, a decrease of 2% meaning the cohort was stable.

Student attendance for last year was: 94.8%

External visits or audits

- Health and Safety Audit
- DfE Educational Advisor

Sporting achievements include

- Athletics: Year 8/9 boys second in Cornwall at super 8's event; Year 8/9 girls 3rd.
- Football: U14 boys' side county champions for second year in a row; U16 girls football county champions. 4th time in 5 years Saltash has won the girls' U16 title. U18 boys' football East Cornwall league winners
- Cross country: East Cornwall champions for Year 7,8,9 girls and boys

Performing Arts achievements include

- School Production: 'Little Shop of Horrors' – cast and crew of 80 with a 10 piece student band playing to packed houses each night and an additional primary school performance

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Music Concert Programme: Increased student participation in music has led to regular end of term concerts and newly formed instrumental ensembles
- Community Performances: Musicians performed at the Saltash May Fair, Saltash Songfest and other charity events in Plymouth

Academic achievements include

- Increase in A*-B, A*-C and A*-E at A level
- Increase in GCSE combined measures and a significant uplift in almost all performance measures
- A student in our ARB achieving six GCSE pass grades

Trewidland Primary School

Academic Headline KS1	Cohort Size	Expected standards	Greater Depth	SEN (EHP)	Pupil Premium	Non Pupil Premium	Disaggregated e.g. transient
Phonics Year 1	8	100%		0		8	
Phonics Year 2	1	0% dis-applied					
Maths	3	0%	0%				
Writing	3	67%	0%				
Reading	3	67%	0%				
Combined score							
Combined scaled	Av R=106 Av M=97						

Academic Results KS2	Results 2017	Greater Depth	SEN (EHP)	Pupil Premium	Non Pupil Premium	Disaggregated e.g. transient
Cohort Size	5		0	2	3	
Maths	80%	20%				
Writing	60%	0%				
Reading	80%	60%				
Combined score	RWM=60%					
Combined scaled	Av R=108 Av M= 103					
Progress Maths *	-0.8	20%				
Progress Writing*	-6.0	20%				
Progress Reading*	3.6	60%				

*Validated data not yet available. Where possible, current un-validated estimates have been provided.

Changes in pupil numbers: The number of pupils has decreased from 31 to 28

Student attendance for last year was: 93.59%

External visits or audits

- Health and Safety Audit
- Peer Review by SMART
- Early Years (Pre-school visits by S Wright CCC)
- Phonics for Fluency programme of intervention and support
- Strength in Numbers support (until 2019)

Sporting achievements include

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Small schools inter school Sports
- KS2 Sugar Smart leaders
- KS 2 Y6 swimming 100% achieving 25m unaided
- Bikeability Y3-Y6
- Cross Country league
- BHF Swimmathon

Performing arts achievements include

- Jo Cox annual community event
- The Wild Bunch end of Year whole school performance

Academic achievements include

- 100% achieving phonics pass at KS1
- 80% making the expected standard at KS2 in Maths
- 80% making the expected standard at KS2 in GPS
- 80% making the expected standard at KS2 in Reading

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.

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

SMART also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the SMART's accounting policies.

During the year ended 31 August 2018 total expenditure of £18,468,397 was covered by recurrent grant funding from the DfE, together with other incoming resources of £17,809,381. During the year expenditure exceeded income by £659,016. This excludes the restricted fixed asset funds.

At 31 August 2018 the net book value of fixed assets was £33,475,318 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students within SMART.

The Local Government Pension Scheme as at 31st August 2018 held a deficit of £4,053,000, the breakdown of which is detailed within note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Regulations policy and procedures and the Financial Scheme of Delegation.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of charitable company closure, outstanding LGPS liabilities would be met by the Department for Education. The guarantee came in force on 18th July 2013.

Reserves Policy

Overall a normal operating reserve of up to 4% per annum should be held by the SMART and comprise both Restricted and Unrestricted funds. Funds for specific projects should not preclude any carried forward of one off funds. In the year 2017/18 the total reserve for SMART was £663,551, 3.4% of overall income, held in both

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

restricted and unrestricted funds.

Restricted Reserves will be held at a level commensurate with the identified need going forward.

Unrestricted reserves will be at a level necessary to –

- allow future planned expenditure that cannot be met from the annual budget
- allow for the replacement of large capital and infrastructure items
- create and maintain capacity to deal with unknown items of expenditure that cannot be expected to be funded from annual budgets

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that SMART is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the SMART's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the SMART.

Investment Policy

SMART will, where possible, use its income in the financial and academic years it is acquired; with the exception of that designated as Reserves. Investment therefore means placing that income in a low risk environment so as to be available when needed, but also maximising returns by making use of appropriate savings and other investment accounts. To expedite this, the Chief Financial Officer is authorised to move funds among the various SMART accounts.

Any monies identified for a future purpose with an identified date will be invested appropriately.

The risk, advantages and disadvantages of having all SMART funding within one bank will be monitored annually by the Trust Board. The Chief Financial Officer will also ensure that the chosen bank is of a minimum of an A rating unless there is a compelling reason for it not to be. Other forms of investment for SMART funds will be regularly reviewed and adopted if approved by the Trust Board.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which SMART is exposed, in particular, those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. They have ensured that the management structure, systems and controls are in place to manage those risks, as well as insurance to cover financial and governance arrangements where necessary. The Trustees ensure a regular review of risks through the reporting provided by the Headteachers to the Local Governing Committees and then to the Trust Board.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The principal risks and uncertainties facing SMART are as follows:

- The Trust recognises the risk that may exist if one person has significant control and access of finance systems. To mitigate this risk a scheme of delegation and appropriate system checks are in place.
- The Trust accepts that there could be risk from the pooling of the membership of the Local Government Pension Scheme in which it participates. To mitigate this risk, the Trust monitors the most up to date information available from the Cornwall Pensions representatives.
- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same basis.
- The continuing success of the trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trust ensures that student success and achievement are closely monitored and reviewed. Where entry is below the planned numbers, swift action is taken to adjust staffing and courses.

FUNDRAISING

The trust does not work with, or have oversight of, any commercial participators and/ or professional fundraisers.

PLANS FOR FUTURE PERIODS

Key plans for the future include:

- To remove disadvantage by improving attendance figures and narrowing the gap against national average
- To challenge the most able to ensure that the top 20% of attainment in secondary Y11 achieve P8 positive. That primary progress is positive for pupils in NARE and all primary years. ALPS for top three bands (A*-B)/ ALPS overall
- To personalise learning for all by ensuring that P8 is positive for all non-disadvantaged secondary Y11 students, primary progress is positive for all non-disadvantaged pupils in all years and phonics outcomes are 100% by the end of Y2
- To develop leaders at all levels by all staff being set and achieving their expected leadership levels
- To support excellent governance by 100% of termly director led group meetings including specific training
- To inspire excellence by ensuring 100% of staff achieve an overall pass in appraisal
- To grow sustainably by ensuring there is capacity in place
- To grow partner networks by increasing the number of events which can add opportunities to other schools and establish the JCNC which meets termly

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

SMART and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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

R Newton Chance
Chair of Trustees

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that South East Cornwall Multi Academy Regional 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 South East Cornwall Multi Academy Regional 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 5 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
K Waghorn, Chair (until 31.12.17)	5	5
T Mansell (resigned 3.10.17)	0	0
K George,	5	5
R Edgeler	1	3
D Garland (resigned 15.2.18)	2	3
J Kitson	5	5
D Buckley, Accounting Officer	5	5
K Johnson	5	5
R Newton-Chance, Chair (from 1.1.18)	5	5
S Brownlow, (from 6.4.18)	2	2
B Cook, (from 15.2.18)	1	2
P Robinson, (from 28.2.18, resigned 11.6.18)	1	1

A new Chair of Trustees was appointed in January 2018 resulting in some change of emphasis. During the year, there have been several trustee resignations for a variety of reasons which have meant a change in composition of the board. There has been some problems with recruiting suitable applicants, despite using Inspiring Governance and Academy Ambassadors to aid recruitment. Relationships with the Members have had to be reworked. A new scheme of delegation with improved structures will be in place from September 2018. The constant issue of making insufficient funding match increasing employment costs and increasing demand continues to be a challenge.

Governance Review

- This year has involved a lot of review of existing practice and change implementation in order to strengthen links throughout the MAT and improve communication
- The Chair of Trustees has visited all Local Governing Committees to explain the changes in working practice and to gain feedback
- The recruitment process that is in place for Trustees and Members includes a skills audit to ensure that there is a breadth of skill and experience present to contribute fully to the trust's development.

There will be a formal review of the effectiveness of the Trust Board at the end of the academic year 2018/19 to report back to Members and to feed into potential changes to the Scheme of Delegation at the start of the next year. This will become the regular pattern in future years.

The **Audit Committee** is a committee of the main Board of Trustees. Its purpose is to help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds. To promote the development of internal control systems which will help satisfy the Board of Trustees that the Multi Academy Trust will achieve its objectives whilst operating in accordance with any statutory requirements.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K George	2	2
J Kitson, Chair	2	2
R Newton Chance	1	1
S Brownlow	1	2

The CEO and CFO are in attendance at the Audit Committee meetings.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Improving Educational Results

Ensuring that resources are directed to where they are most needed and are most effective in meeting educational requirements. The Academy Trust has:

- Engaged with other schools within the local area to provide cost effective, quality vocational study opportunities to its students.
- Monitored performance of its staff through its Quality Assurance cycle and has deployed staff efficiently within curriculum departments.
- Identified the differing needs of students and has ensured the relevant support is provided to them by focusing both Pupil Premium and Sports funding.

The effectiveness of these strategies can be seen in the improvements to SATS, GCSE and A level results in a range of subjects in each of the academies during the summer exam season of 2018. Evidence of the other targeted groups is detailed within the Pupil Premium report published on the academies' websites. Where improvements have not occurred, each of the schools has been internally reviewed and specific, impact assessment based, short term targets have been set.

Financial Governance and Oversight

SMART's governance arrangements include regular monitoring by the Trust Board and the Audit Committee. They receive financial reports on a regular basis during the year and agree and ratify the budget on an annual basis. From this September 2018 there will be a separate Resources Committee to give additional focus and time to this issue.

Better Purchasing

Local Governors, school managers and staff follow procedures for assessing need and obtaining goods and services which provide value for money in terms of suitability, efficiency, time and cost.

Examples of steps taken to ensure value for money when purchasing include:

- Viewing alternative purchasing options online in order to find the best value
- Securing MAT wide discounts and alignment of contracts where possible
- Catering discounts on food and equipment obtained through a buying consortium
- A tender process for major purchases and contracts

Better Income Generation

Examples of steps taken to maximise income include:

- The letting of school premises and All Weather Pitches to local community groups
- The provision of Caretaking and Property Compliance services to other local schools
- Bid writing and applications for grant funding for specific projects

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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GOVERNANCE STATEMENT (continued)

Reviewing Controls and Managing Risks

Regular budget reports and expenditure against that budget have been reviewed by the Local Governing Committees and the Trust Board as well as by budget holders in order to ensure that spending is within budget. Actions taken to manage risk include the purchase of an appropriate level of insurance cover and seeking professional advice from Human Resources, Accountants and Legal Services when required.

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 the achievement of Academy Trust 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 South East Cornwall Multi Academy Regional Trust for the period from 1 September 2017 to 31 August 2018 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 Trust 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 Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 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. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee and 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 not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditor, to perform additional checks.

In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of accounting systems
- Testing of purchase systems
- Testing of budgets and financial monitoring
- Testing of strategic and operational review
- Testing of Accounting Officer checks and further regularity checks

Annually, a report is issued By Bishop Fleming LLP 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.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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GOVERNANCE STATEMENT (continued)

During the current period Bishop Fleming LLP delivered their schedule of work as planned. There were no material control issues arising 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust 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 Audit Committee 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 28 November 2018 and signed on their behalf, by:

R Newton-Chance
Chair of Trustees

D Buckley
Accounting Officer

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of South East Cornwall Multi Academy Regional Trust I have considered my responsibility to notify the academy trust 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 trust, 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 2017.

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 2017.

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.

**D Buckley
Accounting Officer**

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

R Newton-Chance
Chair of Trustees

Date:

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST

OPINION

We have audited the financial statements of South East Cornwall Multi Academy Regional Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Trust'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 in the Annual report, other than the financial statements and our Auditors' report thereon. 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

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH
EAST CORNWALL MULTI ACADEMY REGIONAL TRUST**

USE OF OUR REPORT

This report is made solely to the Academy Trust'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 Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date:

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South East Cornwall Multi Academy Regional Trust during the year 1 September 2017 to 31 August 2018 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 South East Cornwall Multi Academy Regional Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South East Cornwall Multi Academy Regional 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 South East Cornwall Multi Academy Regional Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of South East Cornwall Multi Academy Regional Trust's funding agreement with the Secretary of State for Education dated 23 March 2017, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy Trust complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTH EAST
CORNWALL MULTI ACADEMY REGIONAL TRUST AND THE EDUCATION & 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date:

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants:						
Transfer from Local Authority on conversion	2	-	-	-	-	12,946,447
Transfer from existing Academy	2	-	-	-	-	6,829,502
Other donations and capital grants	2	13,989	15,870	1,431,958	1,461,817	993,040
Charitable activities	3	811,337	16,822,936	-	17,634,273	11,993,549
Other trading activities	4	144,318	-	-	144,318	91,336
Investments	5	931	-	-	931	927
TOTAL INCOME		970,575	16,838,806	1,431,958	19,241,339	32,854,801
EXPENDITURE ON:						
Raising funds		44,244	-	-	44,244	35,730
Charitable activities		840,449	17,583,704	1,126,895	19,551,048	13,292,073
TOTAL EXPENDITURE	6	884,693	17,583,704	1,126,895	19,595,292	13,327,803
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	85,882 (171,895)	(744,898) 51,438	305,063 120,457	(353,953) -	19,526,998 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(86,013)	(693,460)	425,520	(353,953)	19,526,998
Actuarial gains on defined benefit pension schemes	23	-	1,221,000	-	1,221,000	2,429,000
NET MOVEMENT IN FUNDS		(86,013)	527,540	425,520	867,047	21,955,998
RECONCILIATION OF FUNDS:						
Total funds brought forward		382,517	(4,222,066)	33,723,136	29,883,587	7,927,589
TOTAL FUNDS CARRIED FORWARD		296,504	(3,694,526)	34,148,656	30,750,634	29,883,587

The notes on pages 30 to 57 form part of these financial statements.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07542166**

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		33,475,318		33,191,406
CURRENT ASSETS					
Stocks		9,774		9,189	
Debtors	15	1,314,950		1,461,017	
Cash at bank and in hand		1,741,899		1,274,180	
			<u>3,066,623</u>	<u>2,744,386</u>	
CREDITORS: amounts falling due within one year	16	(1,738,307)		(1,475,205)	
NET CURRENT ASSETS			<u>1,328,316</u>		<u>1,269,181</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,803,634</u>		<u>34,460,587</u>
Defined benefit pension scheme liability	23		(4,053,000)		(4,577,000)
NET ASSETS			<u><u>30,750,634</u></u>		<u><u>29,883,587</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	358,474		354,934	
Fixed asset funds	18	34,148,656		33,723,136	
			<u>34,507,130</u>	<u>34,078,070</u>	
Restricted funds excluding pension liability					
Pension reserve	23	(4,053,000)		(4,577,000)	
			<u>30,454,130</u>	<u>29,501,070</u>	
Total restricted funds					
Unrestricted funds	18		296,504		382,517
TOTAL FUNDS			<u><u>30,750,634</u></u>		<u><u>29,883,587</u></u>

The financial statements on pages 27 to 57 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

R Newton-Chance
Chair of Trustees

The notes on pages 30 to 57 form part of these financial statements.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>445,632</u>	<u>(34,373)</u>
Cash flows from investing activities:			
Interest received		931	927
Purchase of tangible fixed assets		(1,410,802)	(618,741)
Capital grants from DfE and other capital income		<u>1,431,958</u>	<u>922,730</u>
Net cash provided by investing activities		<u>22,087</u>	<u>304,916</u>
Cash on conversion			
Cash on conversion		-	180,047
Net cash provided by financing activities		<u>-</u>	<u>180,047</u>
Change in cash and cash equivalents in the year		467,719	450,590
Cash and cash equivalents brought forward		<u>1,274,180</u>	<u>823,590</u>
Cash and cash equivalents carried forward	21	<u><u>1,741,899</u></u>	<u><u>1,274,180</u></u>

The notes on pages 30 to 57 form part of these financial statements.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

South East Cornwall Multi Academy Regional 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 Trust 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 Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the Trust 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 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 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of financial activities 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.

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

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 risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Where assets are received on the transfer of an existing Academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring Trust. An equal amount of income is recognised for the transfer of an existing Academy into the Trust within donations and capital grant income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 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 Trust 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 Trust's educational operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 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 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.

On conversion the academies joining the Trust were granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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:

Freehold property	-	2%
Leasehold property	-	4% / 2% / 0.8% straight line
Office equipment	-	20% straight line
Computer equipment	-	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.7 OPERATING LEASES

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.9 TAXATION

The Academy Trust 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 Trust 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.

1.10 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.11 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 and cash on deposit that has a notice period of less than 30 days.

1.12 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 Trust 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.

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.14 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 Trust 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 23, 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 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 net income / expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 AGENCY ARRANGEMENTS

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in Note 28.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.16 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 Trust 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 23, 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 2018. 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:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from Local Authority on conversion	-	-	-	-	12,946,447
Transfer from existing Academy	-	-	-	-	6,829,502
Subtotal	-	-	-	-	19,775,949
Donations	13,989	15,870	-	29,859	70,310
Capital grants	-	-	1,431,958	1,431,958	922,730
Subtotal	13,989	15,870	1,431,958	1,461,817	993,040
	13,989	15,870	1,431,958	1,461,817	20,768,989
Total 2017	263,095	(3,375,830)	23,881,724	20,768,989	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity incoming resources - Education	673,856	16,822,936	17,496,792	11,943,156
Charity incoming resources - Nursery	137,481	-	137,481	50,393
	811,337	16,822,936	17,634,273	11,993,549
Total 2017	687,713	11,305,836	11,993,549	

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	14,810,373	14,810,373	10,165,852
Start up Grants	-	-	-	22,056
Other DfE Group grants	-	1,029,890	1,029,890	640,717
	<u>-</u>	<u>15,840,263</u>	<u>15,840,263</u>	<u>10,828,625</u>
Other Government grants				
Other government grants non capital	-	92,415	92,415	20,997
High Needs	-	611,468	611,468	414,247
	<u>-</u>	<u>703,883</u>	<u>703,883</u>	<u>435,244</u>
Other funding				
Other income	330,098	278,790	608,888	377,274
Internal catering income	322,159	-	322,159	285,279
Income for hosting trainee teachers	14,339	-	14,339	10,860
Sales to students	7,260	-	7,260	5,874
	<u>673,856</u>	<u>278,790</u>	<u>952,646</u>	<u>679,287</u>
	<u>673,856</u>	<u>16,822,936</u>	<u>17,496,792</u>	<u>11,943,156</u>
Total 2017	<u>637,320</u>	<u>11,305,836</u>	<u>11,943,156</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Letting's	76,963	-	76,963	58,706
Consultancy income	63,311	-	63,311	31,177
Breakfast Club fees received	4,044	-	4,044	1,453
	<u>144,318</u>	<u>-</u>	<u>144,318</u>	<u>91,336</u>
Total 2017	<u>91,336</u>	<u>-</u>	<u>91,336</u>	

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	931	-	931	927
Total 2017	927	-	927	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	44,244	-	-	44,244	35,730
Support costs	-	-	-	-	-
Educational activities:					
Direct costs	12,302,004	969,419	1,585,129	14,856,552	10,083,526
Support costs	2,457,227	763,015	1,381,347	4,601,589	3,164,981
Nursery:					
Direct costs	90,870	-	-	90,870	42,526
Support costs	-	-	2,037	2,037	1,040
	14,894,345	1,732,434	2,968,513	19,595,292	13,327,803
Total 2017	9,926,724	1,131,134	2,269,945	13,327,803	

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. DIRECT COSTS

	Education 2018 £	Nursery 2018 £	Total 2017 £
Pension income	49,000	-	96,000
Educational supplies	617,193	-	482,360
Examination fees	239,980	-	222,087
Staff development	46,880	-	39,631
Other costs	632,076	-	421,297
Supply teachers	231,915	-	154,110
Wages and salaries	9,407,149	74,017	6,371,007
National insurance	897,530	4,274	622,412
Pension cost	1,765,410	12,579	1,062,443
Depreciation	969,419	-	654,705
	<u>14,856,552</u>	<u>90,870</u>	<u>10,126,052</u>
Total 2017	<u>10,083,526</u>	<u>42,526</u>	

8. SUPPORT COSTS

	Education 2018 £	Nursery 2018 £	Total 2018 £	Total 2017 £
Pension income	72,000	-	72,000	-
Other costs	181,984	-	181,984	93,674
Recruitment and support	22,959	-	22,959	31,015
Maintenance of premises and equipment	200,419	-	200,419	139,780
Cleaning	182,490	193	182,683	90,917
Rent and rates	143,713	282	143,995	86,940
Energy costs	280,762	1,562	282,324	176,413
Insurance	103,367	-	103,367	84,962
Security and transport	78,917	-	78,917	51,540
Catering	246,489	-	246,489	222,936
Technology costs	148,393	-	148,393	157,716
Office overheads	56,508	-	56,508	33,721
Legal and professional	261,124	-	261,124	145,672
Bank interest and charges	8,950	-	8,950	9,862
Governance	13,311	-	13,311	50,399
Wages and salaries	1,558,535	-	1,558,535	1,045,386
National insurance	105,686	-	105,686	72,309
Pension cost	778,506	-	778,506	566,426
Depreciation	157,476	-	157,476	106,353
	<u>4,601,589</u>	<u>2,037</u>	<u>4,603,626</u>	<u>3,166,021</u>
Total 2017	<u>3,164,981</u>	<u>1,040</u>	<u>3,166,021</u>	

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned/leased by the Trust	1,126,890	761,058
Auditors' remuneration - audit	11,600	11,200
Auditors' remuneration - other services	4,974	6,045
Operating lease rentals	48,282	33,419
	=====	=====

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	11,057,412	7,437,481
Social security costs	1,007,490	694,721
Operating costs of defined benefit pension schemes	2,556,495	1,628,869
	<u>14,621,397</u>	<u>9,761,071</u>
Agency staff costs	231,915	154,111
Staff restructuring costs	26,533	11,542
Other costs	14,500	-
	<u><u>14,894,345</u></u>	<u><u>9,926,724</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	26,533	11,542
Severance payments	14,500	-
	<u>41,033</u>	<u>11,542</u>

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

Included in severance payments is one non-statutory/contractual payment for £14,500, made in August 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	197	192
Administration and support	229	255
Management	23	22
	<u>449</u>	<u>469</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	174	173
Administration and support	169	180
Management	42	22
	<u>385</u>	<u>375</u>

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	3	0

e. Key management personnel

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on Page 1. The total amount of employee benefits (including employer pension contributions and National Insurance) received by key management personnel for their services to the Trust was £683,215 (2017: £449,225: new schools joined part way through the prior year, therefore only 5 months of the year included payment for all 8 Key Management Personnel).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in Note 12 has not been included in the total benefits received by key management personnel above.

11. CENTRAL SERVICES

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

- Business and Finance
- Administration and Human Resources
- Information Technology
- Premises Management
- School Improvement Support and Management

The Academy Trust charges for these services on the following basis:

A 5% top slice of the Academy Trust's annual funding is retained.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Dobwalls Community Primary School	1,883	14,715
Landulph Primary School	31,373	14,936
Liskeard School & Community College	266,015	100,320
Looe Community Academy	130,759	53,100
Saltash.net Community School	275,305	314,831
Trewidland Primary and Pre-School	31,369	4,470
	736,704	502,372
Total	736,704	502,372

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12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and Chief Executive Officer only receive remuneration in respect of services they provide undertaking the roles of Headteacher and CEO under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: D Buckley: remuneration between eighty-five thousand and ninety thousand pounds (2017: between seventy thousand and seventy-five thousand pounds), employer's pension contributions between ten thousand and fifteen thousand pounds (2017: between ten thousand and fifteen thousand pounds)

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £2,520 (2017: £2,341) were reimbursed to 5 Trustees' (2017: 5).

Other related party transactions involving the Trustees are set out in Note 27.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £833 (2017: £296).

14. TANGIBLE FIXED ASSETS

	Property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
COST				
At 1 September 2017	35,309,248	675,402	713,992	36,698,642
Additions	1,235,929	42,754	132,119	1,410,802
Transfer between classes	336,979	(336,979)	-	-
At 31 August 2018	<u>36,882,156</u>	<u>381,177</u>	<u>846,111</u>	<u>38,109,444</u>
DEPRECIATION				
At 1 September 2017	2,808,399	170,855	527,982	3,507,236
Charge for the year	968,285	47,003	111,602	1,126,890
At 31 August 2018	<u>3,776,684</u>	<u>217,858</u>	<u>639,584</u>	<u>4,634,126</u>
NET BOOK VALUE				
At 31 August 2018	<u><u>33,105,472</u></u>	<u><u>163,319</u></u>	<u><u>206,527</u></u>	<u><u>33,475,318</u></u>
At 31 August 2017	<u><u>32,500,849</u></u>	<u><u>504,547</u></u>	<u><u>186,010</u></u>	<u><u>33,191,406</u></u>

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15. DEBTORS

	2018	2017
	£	£
Trade debtors	248,372	38,907
VAT repayable	129,135	330,095
Other debtors	-	266
Prepayments and accrued income	937,443	1,091,749
	<u>1,314,950</u>	<u>1,461,017</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	490,867	765,267
Other taxation and social security	517,600	498,121
Other creditors	20,230	17,592
Accruals and deferred income	709,610	194,225
	<u>1,738,307</u>	<u>1,475,205</u>

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	34,993	27,294
Resources deferred during the year	97,790	34,993
Amounts released from previous years	(34,993)	(27,294)
Deferred income at 31 August 2018	<u>97,790</u>	<u>34,993</u>

At the Balance Sheet date the Trust was holding funds received in respect income relating to the autumn and spring term Universal Infant Free School Meals funding and canteen income for the 2018/19 academic year.

17. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	<u>2,713,633</u>	<u>2,241,834</u>
Financial liabilities measured at amortised cost	<u>1,640,517</u>	<u>924,499</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	382,517	970,575	(884,693)	(171,895)	-	296,504
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	262,247	14,810,373	(14,837,953)	25,530	-	260,197
Start up Grants	13,749	-	-	-	-	13,749
Pupil Premium	64,197	848,699	(862,388)	(10,760)	-	39,748
PE Grant	3,081	65,153	(56,683)	-	-	11,551
Other Government grants	1,800	138,503	(137,467)	4,363	-	7,199
Local Authority funding	1,408	616,117	(617,310)	-	-	215
General	6,550	308,668	(321,176)	28,647	-	22,689
School trips	1,902	51,293	(53,727)	3,658	-	3,126
Pension reserve	(4,577,000)	-	(697,000)	-	1,221,000	(4,053,000)
	(4,222,066)	16,838,806	(17,583,704)	51,438	1,221,000	(3,694,526)

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Fixed assets transferred on joining the Trust	31,464,354	-	(907,965)	-	-	30,556,389
Fixed assets purchased from GAG and other restricted funds	271,469	-	(98,093)	103,649	-	277,025
LA Devolved Formula Capital	53,697	-	-	-	-	53,697
Academy Capital Maintenance Grant	933,479	863,643	(49,899)	-	-	1,747,223
Devolved Formula Capital/SCA	109,527	555,656	(22,792)	-	-	642,391
Other capital grants received	25,830	12,659	(3,903)	-	-	34,586
Local Authority funding	408,641	-	(20,530)	-	-	388,111
Big Lottery	3,852	-	(1,953)	-	-	1,899
Condition Improvement Fund	443,432	-	(14,131)	-	-	429,301
Purchased from Pupil Premium	8,855	-	(7,538)	10,760	-	12,077
Purchased from unrestricted funds	-	-	(91)	6,048	-	5,957
	<u>33,723,136</u>	<u>1,431,958</u>	<u>(1,126,895)</u>	<u>120,457</u>	<u>-</u>	<u>34,148,656</u>
Total restricted funds	<u>29,501,070</u>	<u>18,270,764</u>	<u>(18,710,599)</u>	<u>171,895</u>	<u>1,221,000</u>	<u>30,454,130</u>
Total of funds	<u><u>29,883,587</u></u>	<u><u>19,241,339</u></u>	<u><u>(19,595,292)</u></u>	<u><u>-</u></u>	<u><u>1,221,000</u></u>	<u><u>30,750,634</u></u>

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (ESFA) during the year in order to fund the continuing activities of the Academy Trust. During the year £154,725 (2016: £43,112) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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

Restricted Funds

General Annual Grant - income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

Start-up Grant - this represents one-off funding received from the ESFA to contribute to the cost of converting from a school to an Academy.

Pupil Premium - represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

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18. STATEMENT OF FUNDS (continued)

PE and Sports Grant - this represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

High Needs - funding received by the Local Authority to fund further support for students with additional needs.

General - this represents general donations and other curriculum income to be used for the normal running of the Academy Trust, including education and support costs.

Pension Reserve - this represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Fixed Assets Transferred on Conversion - this represent the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed Assets Purchased from GAG and Unrestricted funds - this represents funds transferred from the restricted GAG fund to purchase fixed assets.

LA Devolved Formula Capital - this represents the income due from the Local Authority on conversion to an Academy to fund capital projects.

Academy Capital Maintenance Grant - income received for specific projects tendered for and completed during the year.

Devolved Formula Capital - this represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Other Capital Grants - income received from Savoy Educational Trust for a specific capital project completed during the prior year.

Local Authority funding - income received from the Local Authority for a specific capital project completed.

Big Lottery - one off funding to provide the Academy Trust with a Trim Trail.

Condition Improvement Fund - income received for specific projects tendered for and completed during the year.

Pupil Premium - this represents funds transferred from the restricted Pupil Premium fund to purchase fixed assets.

Other Information

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Dobwalls Community Primary School	58,703	19,970
Landulph Primary School	22,380	24,945
Liskeard School & Community College	(106,634)	95,778
Looe Community Academy	46,335	78,802
Saltash.net Community School	507,597	501,842
Trewidland Primary and Pre-School	6,489	15,336
Central Business Unit	120,108	778
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	654,978	737,451
Restricted fixed asset fund	34,148,656	33,723,136
Pension reserve	(4,053,000)	(4,577,000)
	<hr/>	<hr/>
Total	30,750,634	29,883,587
	<hr/> <hr/>	<hr/> <hr/>

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

Name of academy	Amount of deficit £
Liskeard School & Community College	(106,634)

On joining the Trust the budgets required significant work to address historic issues.

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

During the year, significant changes have been made and the school is budgeting to make an in year surplus for 2018/19, with a view to return to a surplus position in the coming years.

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18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Dobwalls Community Primary School	520,863	74,560	69,288	133,688	798,399	319,657
Landulph Primary School	235,157	25,090	46,222	28,554	335,023	334,943
Liskeard School & Community College	4,180,736	579,816	485,596	539,812	5,785,960	2,453,770
Looe Community Academy	1,783,717	367,363	280,652	274,029	2,705,761	1,237,787
Saltash.net Community School	5,085,542	895,080	605,880	704,007	7,290,509	7,260,575
Trewidland Primary and Pre-School	184,327	23,325	19,892	20,202	247,746	112,225
Central Business Unit	171,576	199,652	28,599	208,172	607,999	561,474
	<u>12,161,918</u>	<u>2,164,886</u>	<u>1,536,129</u>	<u>1,908,464</u>	<u>17,771,397</u>	<u>12,280,431</u>

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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	246,563	1,042,126	(720,165)	(186,007)	-	382,517

RESTRICTED FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	191,233	10,165,852	(10,110,752)	15,914	-	262,247
Start up Grants	36,042	22,056	(48,421)	4,072	-	13,749
Pupil Premium	102,993	548,578	(587,594)	220	-	64,197
PE Grant	-	15,296	(12,215)	-	-	3,081
Other DfE/ESFA grants	-	76,843	(85,942)	9,099	-	-
High Needs	-	414,247	(414,247)	-	-	-
Other Government grants	-	4,400	(2,600)	-	-	1,800
Local Authority funding	108	6,597	(5,297)	-	-	1,408
Big Lottery Grant	-	10,000	(10,112)	112	-	-
General	22,352	46,234	(62,036)	-	-	6,550
School trips	1,553	66,848	(68,364)	1,865	-	1,902
Pension reserve	(3,121,000)	(3,446,000)	(439,000)	-	2,429,000	(4,577,000)
	<u>(2,766,719)</u>	<u>7,930,951</u>	<u>(11,846,580)</u>	<u>31,282</u>	<u>2,429,000</u>	<u>(4,222,066)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on joining the Trust	9,112,728	22,929,303	(577,677)	-	-	31,464,354
Fixed assets purchased from GAG and other restricted funds	211,825	-	(95,081)	154,725	-	271,469
LA Devolved Formula Capital	24,006	29,691	-	-	-	53,697
Academy Capital Maintenance Grant	980,025	-	(46,546)	-	-	933,479
Devolved Formula Capital	58,306	76,093	(24,872)	-	-	109,527
Other capital grants received	26,664	-	(834)	-	-	25,830
Local Authority funding	3,104	412,005	(6,468)	-	-	408,641
Big Lottery	5,805	-	(1,953)	-	-	3,852
Condition Improvement Fund	9,911	434,632	(1,111)	-	-	443,432
Purchased from Pupil Premium	15,371	-	(6,516)	-	-	8,855
	<u>10,447,745</u>	<u>23,881,724</u>	<u>(761,058)</u>	<u>154,725</u>	<u>-</u>	<u>33,723,136</u>
Total restricted funds	<u>7,681,026</u>	<u>31,812,675</u>	<u>(12,607,638)</u>	<u>186,007</u>	<u>2,429,000</u>	<u>29,501,070</u>
Total of funds	<u><u>7,927,589</u></u>	<u><u>32,854,801</u></u>	<u><u>(13,327,803)</u></u>	<u><u>-</u></u>	<u><u>2,429,000</u></u>	<u><u>29,883,587</u></u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	33,475,318	33,475,318
Current assets	296,504	2,096,781	673,338	3,066,623
Creditors due within one year	-	(1,738,307)	-	(1,738,307)
Pension scheme liability	-	(4,053,000)	-	(4,053,000)
	<u>296,504</u>	<u>(3,694,526)</u>	<u>34,148,656</u>	<u>30,750,634</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	33,191,406	33,191,406
Current assets	390,222	1,418,280	935,884	2,744,386
Creditors due within one year	(7,705)	(1,063,346)	(404,154)	(1,475,205)
Provisions for liabilities and charges	-	(4,577,000)	-	(4,577,000)
	<u>382,517</u>	<u>(4,222,066)</u>	<u>33,723,136</u>	<u>29,883,587</u>

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(353,953)	19,526,998
Adjustment for:		
Depreciation charges	1,126,890	734,692
Interest received	(931)	(927)
Increase in stocks	(585)	(1,735)
Decrease/(increase) in debtors	146,067	(1,276,724)
Increase in creditors	263,102	992,189
Capital grants from DfE and other capital income	(1,431,958)	(922,730)
Defined benefit pension scheme obligation inherited	-	(587,000)
Defined benefit pension scheme cost less contributions payable	576,000	-
Defined benefit pension scheme finance cost	121,000	4,472,000
Fixed assets transferred from local authority on conversion	-	(15,670,159)
Fixed assets transferred from academies joining the Trust	-	(7,300,977)
Net cash provided by/(used in) operating activities	<u>445,632</u>	<u>(34,373)</u>

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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,741,899	1,274,180
	<u>1,741,899</u>	<u>1,274,180</u>

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	413,830
	<u>-</u>	<u>413,830</u>

23. PENSION COMMITMENTS

The Academy Trust'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 Cornwall Council. Both are multi-employer Defined Benefit Pension Schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

- 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 £1,256,121 (2017: £859,322).

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 an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £912,000 (2017: £549,000), of which employer's contributions totalled £726,000 (2017: £427,000) and employees' contributions totalled £186,000 (2017: £122,000). The agreed contribution rates for future years are 22.3% for employers and 5.5 - 7.5% 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.4	26.4

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,468,800	3,806,060
Gilts	3,921,600	3,482,140
Property	6,398,400	566,860
Cash and other liquid assets	91,200	242,940
	<u>14,880,000</u>	<u>8,098,000</u>

The actual return on scheme assets was £456,000 (2017: £70,000).

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

	2018 £	2017 £
Current service cost	(1,276,000)	(770,000)
Past service cost	(26,000)	-
Interest income	212,000	109,000
Interest cost	(333,000)	(205,000)
	<u>(1,423,000)</u>	<u>(866,000)</u>
Actual return on scheme assets	<u>456,000</u>	<u>70,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	12,636,000	6,568,000
Current service cost	1,276,000	770,000
Interest cost	333,000	205,000
Employee contributions	186,000	122,000
Actuarial gains	(977,000)	(2,468,000)
Benefits paid	(63,000)	(82,000)
Past service costs	26,000	-
Liabilities assumed from business combinations	-	7,521,000
	<u>13,417,000</u>	<u>12,636,000</u>

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	8,059,000	3,447,000
Interest income	212,000	109,000
Actuarial losses/(gains)	244,000	(39,000)
Employer contributions	726,000	427,000
Employee contributions	186,000	122,000
Benefits paid	(63,000)	(82,000)
Assets acquired from business combinations	-	4,075,000
	<hr/>	<hr/>
Closing fair value of scheme assets	9,364,000	8,059,000
	<hr/> <hr/>	<hr/> <hr/>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	46,185	50,392
Between 1 and 5 years	60,063	80,422
	<hr/>	<hr/>
Total	106,248	130,814
	<hr/> <hr/>	<hr/> <hr/>

25. 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.

26. GENERAL INFORMATION

South East Cornwall Multi Academy Regional Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Wearde Road, Saltash, Cornwall, PL12 4AY.

27. RELATED PARTY TRANSACTIONS

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

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

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

28. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the Trust received £33,781 and disbursed £29,666 from the fund. An amount of £4,115 is included in other creditors relating to undistributed funds that is repayable to ESFA.