

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

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**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	B Chalkley R Newton Chance J Carter K Martin
Trustees	K Waghorn (resigned 31 August 2019) ^{1,5} B Cook ^{1,2,3,4} C Stevens (appointed 10 November 2018) ¹ K George (resigned 31 August 2019) ^{1,2,3,5} D Buckley, Chief Executive Officer & Accounting Officer ^{1,2,3,5,6,7} H Casson (appointed 2 October 2018) ^{1,7} J Crisp (appointed 6 November 2018) ^{1,6} J Kitson ^{1,2,3} S Brownlow ^{1,4,7} K Johnson (resigned 4 October 2018) ^{1,5} R Newton Chance, Chair ^{1,2,3,4,5} C Marshall (appointed 11 September 2019)
	¹ Trust Board ² Resources Committee ³ Audit & Finance Committee ⁴ Remuneration Committee ⁵ Admissions Committee ⁶ Learning Committee ⁷ People Committee
Company registered number	07542166
Company name	South East Cornwall Multi Academy Regional Trust
Principal and Registered office	Liskeard School and Community College Luxstowe Liskeard Cornwall PL14 3EA
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 (res. 31.12.18) K Ball, Landulph Headteacher (app. 01.01.19) A Lingard, Liskeard Headteacher S Yalden, Looe Headteacher K Littledyke, Saltash.net Headteacher V Lovell, Trewidland Headteacher

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 3,084 in the school census on 1 October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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 Trust.

The Trustees of South East Cornwall Multi Academy Regional Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 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 ceased to be a member.

**Trade union facility time
Relevant union officials**

Number of employees who were relevant union officials during the year	7
Full-time equivalent employee number	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	7
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	1,669	
Total pay bill	14,119,029	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100	%
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Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust'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 Academy Trust, provided that

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 the Academy Trust. The limit of this indemnity is £1,000,000.

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 South East Cornwall Multi Academy Trust (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 Board will also have regard to gender balance and the need to represent a range of backgrounds and experience.

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

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
- Visit each of the schools in our Trust and meet with the Head teacher
- 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. Governors of the Local Governing Committee 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 at least once each term to undertake business and receive reports from other Committees and the Local Governing Committee of each school.

The current organisation structure consists of the Members, Trustees, and a MAT Senior Leadership Team comprised of the Chief Executive Officer and the Headteachers of each of the schools. The Headteachers and

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their Senior Leadership Teams control the Academies within those powers delegated to them, implementing the policies laid down by the Trustees and reporting back to them and their LGCs through a termly Head Teacher's Report. They are also responsible for the authorisation of spending within agreed budgets as 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 Headteachers and the Senior Leadership Teams comprise the key leadership personnel 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 personnel is reviewed annually in accordance with the Trust's Pay Policy. This is presented to the Trust Board via its Remuneration Committee for approval.

Connected Organisations, including Related Party Relationships

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.

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 (MAT), 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.

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**TRUSTEES' REPORT (CONTINUED)
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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 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.

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**TRUSTEES' REPORT (CONTINUED)
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STRATEGIC REPORT

Achievements and Performance
Dobwalls Community Primary School

Academic Headline KS1	Expected standards	Greater Depth	Academic Results KS2	Results 2019	Greater Depth
Cohort size	30		Cohort size	24	
Phonics Year 1	89%*		Maths	58%	13%
Phonics Year 2	97%		Writing	63%	17%
Maths	73%	20%	Reading	67%	17%
Writing	57%	7%	Combined score	58%	13%
Reading	78%	27%	Combined scaled	101	
Combined score		7%	Progress Maths *	-2.7	
* Y1 cohort size = 28			Progress Writing*	-0.8	
			Progress Reading*	-2.6	

*Validated data not yet available. Where possible, current unvalidated estimates have been provided.

Changes in pupil numbers: The number of pupils has increased from 183 to 198
Student attendance for last year was: 95.7%

External visits or audits:

- Peer review
- NLE visit

Sporting achievements include:

- KS1 Cricket Festival
- Participation in inter-school sports

Performing arts achievements include:

- Songfest at Plymouth Pavilions
- String quartet visit and work with Y6 cohort and whole school assemblies

Academic achievements include:

- Well above average phonics pass rate for the second year running 89% (national 82% 2018)
- KS1 cohort was in line with national measures for reading and maths.
- Y5 cohort, moderated at KS1, is exceeding the KS1 benchmark in reading and maths at NARE.
- Y4 cohort is exceeding the KS1 benchmark in reading, maths and writing for NARE and GD

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**TRUSTEES' REPORT (CONTINUED)
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Landulph School

Academic Headline KS1	Expected standards	Greater Depth	Academic Results KS2	Results 2019	Greater Depth
Cohort size	Y1(12) Y2 phonics(7) Y2(7)		Cohort size	8	
Phonics Year 1	83%	N/A	Maths	75%	38%
Phonics Year 2	86%	N/A	Writing	100%	25%
Maths	71%	14%	Reading	88%	38%
Writing	71%	14%	Combined score	75%	13%
Reading	71%	29%	Combined scaled	108	
Combined score	71%	14%	Progress Maths *	1.0	
			Progress Writing*	2.5	
			Progress Reading*	3.4	

*Validated data not yet available. Where possible, current unvalidated estimates have been provided.

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

Student attendance for last year was: 96.66%

External visits or audits:

- MAT Peer review
- Regional Early Years External Moderation meeting

Sporting achievements include:

- Cornwall Primary Schools East Harriers Cross Country League – Y3/4 Girls came third overall
- Cornwall School Games Cross Country Final - 3 children represented East Harriers
- Tug of War – Small Schools Championships (9 schools)
- Joint 2nd Place – Small Schools Athletics Championships (9 schools)

Performing arts achievements include:

- Christmas Show – The Wiggly Nativity
- Harvest Festival
- Talent Show
- School Choir – performance at local festival
- Individuals performing at the local Music, Speech and Drama Festival

Academic achievements include:

- In line or above national figures in EYFS, KS1 and KS2
- Overall progress in writing increased to 2.5 (KS2)
- Overall progress in reading increased to 3.4 (KS2)

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**TRUSTEES' REPORT (CONTINUED)
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Liskeard School and Community College

Academic Headlines KS4	Results 2019	More Able	Pupil Premium	Non Pupil Premium	Academic Headlines KS5	Results 2019
Year 11 cohort	175	64	72	103	Number in cohort	51
Attainment 8	40.35	54.72	35.96	43.42	ALPS (Progress QI)	2
Combined score EM 4+	54.9%	85.9%	45.8%	61.2%	APS score	2
Combined score EM5+	24.6%	57.8%	22.2%	26.2%	Av Grade per entry	C+
Yr11 APS on entry Y7	4.70	5.28	4.62	4.75	Av Grade Yr13 on entry	6.00 45.98 (QCA)
Year 11 Maths 4+	59.4%	92.2%	51.4%	65%	16-18 %age Retention	100% (Y13) 94% (Y12 & 13)
Year 11 English 4+	70.9%	93.8%	61.1%	77.7%	Number courses offered	30
Year 11 Science 4+	58.8%	95.2%	48.5%	65.7%		
EBACC aps	3.39	4.81	2.96	3.69		

*Validated data is not yet available for Progress 8. *Estimated from available data

Changes in pupil numbers: The number of pupils has increased from 1026 to 1059.

Student attendance for last year was: 94.9% (up to Easter), 95.1% (full academic year).

External visits or audits:

- SMART Peer Review (Feb 2019)
- SEND Audit (March 2019)

Sporting achievements include:

- Girls' Cricket Indoor and Outdoor County Champions and Regional Finalists
- Indoor Rowing County Champions
- Projectability County Champions in various activities and Regional Finalists in Boccia

Performing arts achievements include:

- Students reaching the regional finals in the national 'Articulate' competition. Essentially an oracy/ debating/ presentation competition to articulate their thoughts and research into a work of art to a large audience.
- Jessica Hynes visit to work with our students in the Drama department a few days after winning the BAFTA.
- The School's 40th anniversary concert staged at the start of the school year.

Academic achievements include:

- Great KS5 results - ALPS grade 2 (top 10% in the country), 100% pass rate on all courses
- 2 students accepted into Oxford University, 40% making it to Russell Group

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- Exceptional GCSE outcomes in Art & Photography

Looe Community Academy

Academic Headlines KS4	Results 2019	More Able	Pupil Premium	Non Pupil Premium	Academic Headlines KS5	Results 2019
Year 11 cohort	102	40	32	70	Number in cohort	N/a
Attainment 8	46.5	56.9	40.8	49.2	ALPS (Progress QI)	N/a
Combined score EM 4+	69.9%	92.5%	59.4%	74.3%	APS score	N/a
Combined score EM5+	40.0%	60%	28.1%	45.7%	Av Grade per entry	N/a
Yr11 APS on entry Y7	4.66	5.25	4.6	4.68	Av Grade Yr13 on entry	N/a
Year 11 Maths 4+	72.6%	97.5%	59.3%	78.6%	16-18 %age Retention	N/a
Year 11 English 4+	79.4%	92.5%	68.8%	84.3%	Number courses offered	N/a
Year 11 Science 4+ (x2)	67.65%	95.0%	53.1%	74.3%		
EBACC aps	4.25	5.37	3.67	4.51		

*Validated data is not yet available for Progress 8. *Estimated from available data

Changes in pupil numbers: The number of pupils has decreased from 483 to 472.

Student attendance for last year was: 92.3%. Persistent absence was 13.72% down from 15.69% last year.

External visits or audits:

- Ofsted inspection. January 2019. Outcome of Good.
- Peer review by MAT Senior Leadership Team across SMART.

Sporting achievements include:

- Regular Primary PE Multi sport Festivals held on site which pupils from local feeder primaries attended.
- Primary School Futsal, dodgeball, handball, tennis, basketball, netball & athletics competitions.
- Attendance at County Cup matches in football & rugby.
- Girls rugby coaching club.
- English Schools National Cup matches.
- County Football trials with students representing the county team.
- Two students representing Plymouth Argyle F.C.
- Cross County League meetings participation.
- County netball competitions.
- County Trials for a number of girls / one student represented the county team.
- Arena Girls football league participation.
- One girl accepted for Chelsea & Plymouth Argyle WFC.
- Participation in Cornwall School Games.
- Participation in County Athletics competitions.
- Participation in Super 8's Athletics event.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- Projectability festivals participation throughout the year for performers with mental, physical and sensory impairments to be able to participate in competitive sports.
- Non-participants rugby tournament entry.
- One student representing Cornwall rugby / GB GIG Rowing
- Three students part of Caradon Swimmers.

Performing arts achievements include:

- 2019 GCSE Art, Textiles and Resistant Materials exhibition
- 2019 Marine Art exhibition of KS3 art work at The Old Sardine Factory in Looe
- 2018 Christmas concert evening involving pupils from all years including nearly all of year 7
- 2019 Performing Arts Primary festival afternoon with Year 6 students taking part in Music, Dance and Drama workshops led by KS4 students
- 2019 school production involving all year groups of Alice & The Looking Glass
- 2018-19 Dance performances throughout the year with the Plymouth Raiders basketball team
- Music performances at Polperro Festival 2019
- Music performances at Looe Live 2018

Academic achievements include:

- 38% of students achieved at least 1 grade 7.
- 10% of students achieved at least 1 grade 9.
- The percentage achieving a grade 4 in English and Maths has risen by 9%.
- 69% of students achieved a grade 4 in English and Maths.
- 40% of students achieved a grade 5 in English and Maths.

Saltash.net Community School

Academic Headlines KS4	Results 2019	More Able	Pupil Premium	Non Pupil Premium	Academic Headlines KS5	Results 2019
Year 11 cohort	196	79	56	140	Number in cohort	89
Attainment 8	42.34	56.3	34.2	45.5	ALPS (Progress QI)	5
Combined score EM 4+	62.8%	98.7%	44.6%	70%	APS score	32.59
Combined score EM5+	35.2%	68.4%	19.6%	41.4%	Av Grade per entry	C+
Yr11 APS on entry Y7	4.78	5.33	4.53	4.87	Av Grade Yr13 on entry	32.59
Year 11 Maths 4+	65.3%	98.7%	46.4%	72.9%	16-18 %age Retention	86%
Year 11 English 4+	76%	100%	60.7%	8.1%	Number courses offered	28
Year 11 Science 4+	61.4%	92.4%	41.5%	69.1%		
EBACC aps	3.58	3.1	2.8	3.9		

*Validated data is not yet available for Progress 8. *Estimated from available data

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**TRUSTEES' REPORT (CONTINUED)
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Changes in pupil numbers: The number of pupils has decreased from 1290 to 1276.

Student attendance for last year was: 94.6%

External visits or audits:

- Ofsted October 2018 (Section 8)
- Ofsted May 2019 (Section 5)

Sporting achievements include :

- Football: Year 8 Boys East Cornwall Champions; Year 10 Boys County Champions; U16 Girls County Champions
- Netball: Year 10 Girls Caradon League winners
- Cross Country: Year 7, 8 and 9 Girls Cross Country League Champions

Performing arts achievements include:

- Whole school production of 'Grease' involving over 90 students. Sold out every night!
- 'Hubs' project with Theatre Royal providing free after school dance and drama club every Wednesday. End of term 'show back' performances every term.
- 'Reactor' drama project for Year 9. Performance at Theatre Royal.

Academic achievements include:

- Alps grade 2 for English Language and English Literature
- English Language, Double Science, PE and Art GCSEs performing above National
- A continued upward trend for both progress and attainment measures

Trewidland Primary School

Academic Headline KS1	Expected standards	Greater Depth	Academic Results KS2	Results 2019	Greater Depth
Cohort size	7		Cohort size	5	
Phonics Year 1	No pupils in Y1		Maths	60%	40%
Phonics Year 2	100% met standard in previous Year so no Y2 Phonics screening		Writing	60%	20%
Maths	85.7%	42.9%	Reading	60%	20%
Writing	85.7%	-	Combined score	RWM=60%	
Reading	100%	57.1%	Combined scaled	R=102.0 M=102.6 W= 60%	
Combined score			Progress Maths *	-4.1	
			Progress Writing*	-6.6	
			Progress Reading*	-5.4	

*Validated data not yet available. Where possible, current unvalidated estimates have been provided.

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Changes in pupil numbers: The number of pupils has decreased from 28 to 19

Student attendance for last year was: 94.85%

External visits or audits:

- Peer Review 16 July 2019
- EYFS Moderation visit

Sporting achievements include:

- Cross Country league
- BHF Swimmathon
- Bikeability Y3-Y6
- Y6 100% swimming 25 m unaided
- Sports Day
- EYFS Fundamental skills cluster schools event

Performing arts achievements include:

- Jo Cox Event
- The Bee Performance –musical telling the story of the environmental importance of bees
- World Music Day
- Lights Up
- Hey Ewe Christmas performance
- Djembe Drums

Academic achievements include:

- KS2 80% achieved Grammar Spelling and Punctuation
- KS1 100% achieved expected standard in Reading
- KS1 57% achieved greater Depth in Reading
- KS1 85.7% achieved expected standard in Maths

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 Going concern policy.

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 2019 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 2019 total expenditure of £19,424,235 was funded by recurrent grant funding from the DfE, together with other incoming resources totalling £19,339,421. During the year expenditure exceeded income by £84,814. This excludes the restricted fixed asset funds. The Trust received revenue income of £18,203,875 and incurred revenue expenditure, including fixed assets purchased with revenue funds, of £17,898,720. The excess of revenue income over expenditure, and the movement of funds, for the year was £305,155.

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At 31 August 2019 the net book value of fixed assets was £33,294,572 and movements in tangible fixed assets are shown in note 15 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 2019 held a deficit of £6,287,000, the breakdown of which is detailed within note 25 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

The policy of SMART is to carry forward a prudent level of reserves designed to enable capital investment and maintenance, to fund development planning and to be prepared for any other unforeseen contingencies.

The target is to maintain a level of reserves at 8% of GAG and unrestricted income especially if there is an intention to expand the Trust. It is noted that larger MATs hold a level of reserve of between 8% and 12%. The target reserves are therefore around £1,280,000. Current free reserves (GAG and unrestricted funds) are £866,538.

The main financial risk to SMART is that of managing its short-term cash flow effectively. To mitigate this risk it has been agreed by the Trust Board that an appropriate reserves balance would be up to a maximum of 8% of income. Where there is a requirement for additional reserves in order to invest in assets or fund improvement/expansion projects, as per development planning, then this will be agreed by the Resources Committee as part of the budget approval process.

SMART has confidence that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity, it continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

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 funds are available when needed and 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 Resources Trustees. 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

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

The principal risks and uncertainties facing SMART are identified 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 continue the successful reduction in the attendance and progress gap for disadvantaged pupils. The most notable successes in this regard in the previous year were Saltash Community School and Looe school reductions in the difference in P8 key measure at KS4 with more improvement made by disadvantaged groups.
- To continuously improve the pedagogical skills of all teachers. To build on the agreed learning models developed with senior and middle leaders last year and through these, focus a higher proportion of training and meeting time on the development of pedagogy. This is in line with the change in the OFSTED framework.
- To continue 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 build on the above average ALPS score achieved overall in the MAT this year which represents further progress from the position the year before.
- To personalise learning by ensuring that teaching proactively builds knowledge, skills and conceptual understanding and that slower development in any area is routinely highlighted for intervention or support. This has been most successful this year in the maintenance of high success rates in phonics and the agreement of a common skills framework.
- To build on the moderated assessment of leadership capacity conducted this year and use this to continue to develop leaders at all levels by all staff being supported in achieving their expected leadership levels. To particularly build on the middle leadership training programmes developed last year and implemented throughout the coming year.
- To support excellent governance by continuing to trial new structures for link governance that act on the feedback from 360 reviews and feedback.
- 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, play an active role in networking organisations such as CASH and continuing to share exemplar solutions with other institutions locally, nationally and internationally.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

Auditors

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:

**R Newton-Chance
(Chair of Trustees)**

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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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 4 times during the year. Whilst the full board meets less than 6 times a year, all of the Trustees are involved in more meetings throughout the year depending on committees that they are members of. These committees have delegated decision making powers in line with the Trust scheme of delegation. Additionally throughout the year all Trustees, including the Chair, are provided with a set of monthly management accounts. For these reasons it is considered that the Trust meets the Academies Financial Handbook requirements for achieving sufficient financial oversight.

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

Trustee	Meetings attended	Out of a possible
D Buckley, Chief Executive Officer & Accounting Officer	4	4
R Newton Chance, Chair	4	4
K Waghorn	4	4
B Cook	4	4
C Stevens	2	3
K George	3	4
H Casson	3	4
J Crisp	0	3
J Kitson	3	4
S Brownlow	3	4
K Johnson	0	0
C Marshall	0	0

Trust Board Annual Review 2019

We have agreed that an annual review of the effectiveness of the Trust Board be conducted with Members and that the review should focus on the following questions from the SMART Scheme of Delegation.

1. Does the Trust Board reflect the ethos and values of SMART and is the performance of the Trust in line with its stated ethos, vision and values?
2. Is the Trust Board effectively fulfilling its core governance functions?
3. Is there a clear vision for the Trust and is progress being made against the strategic aims being pursued to realise this vision?
4. Are senior leaders being held to account for the performance of the Trust?
5. Is financial oversight sound? Are there significant financial risks facing SMART in terms of overall viability, the viability of individual schools, or other financial risks of which the Members should be aware?
6. Are there significant risks to standards and outcomes for children facing SMART overall, or within individual schools (including but not exclusively schools at risk of an Ofsted RI or Category judgement)? Is

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- the Board confident in the Trust's capacity to meet these risks and can demonstrate that to Members?
7. Does the Board operate a robust and effective compliance system which assures Members that the Board is meeting its financial, statutory and legal obligations?
 8. Does the Board have the capacity in terms of numbers and skills to meet current and future challenges i.e. are the right people around the table and are there any skills gaps?
 9. How well does the Trust Board know the schools in SMART and whether the needs of the schools are being met? What evidence is there for this from current performance?
 10. Has the Trust Board reviewed its own performance and have Members been informed of the outcome?
 11. Are there robust plans for the future?
 12. Are there significant reputational risks to the Trust and how engaged are stakeholders and is this reflected in the reputation of SMART?

In answering these questions, the sources of information available to us will be:

- Original Articles of Association and subsequent agreed changes
- The SMART original development plan and subsequent changes
- SMART Strategic Plan and updates
- Trust Board Minutes
- Relevant sub committee minutes e.g. Resources, Learning, People etc
- Annual Report and Accounts from audit
- Non-identifiable aggregated Trust Board Skills Audit
- Any documents on the review of the Trust Board's activities and capability
- In this instance, a survey conducted amongst various related groupings

Committees of the Trust Board

The **Learning Committee** is a committee of the main Board of Trustees. The Learning Committee exists to support the Board of the Multi-Academy Trust in its delivery of the policies and services as determined by the Trust, the Leadership Group and relevant legislation.

The purpose of the Learning Committee is to monitor the effectiveness of teaching and learning across the Trust's schools in the context of a broad and balanced curriculum

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Crisp Chair	2	2
H Casson	2	2
R Newton Chance	2	2

The CEO is in attendance at the Learning Committee meetings.

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The **Resources Committee** is a committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K George	5	5
J Kitson	5	5
R Newton Chance	5	5
B Cook, Chair	5	5

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

The **People Committee** is a committee of the main Board of Trustees. The purpose of the People Committee is to focus on issues relating to the employment, development and wellbeing of staff, the safety, wellbeing of students and the Trust's relationships with its community and partners.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Brownlow, Chair	2	2
K Waghorn	2	2
H Casson	2	2
C Stevens	2	2

The CEO is in attendance at the People Committee meetings.

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. In 2019/20 there will be 3 meetings scheduled during the year.

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	2	2
B Cook	2	2

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

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The **Remuneration Committee** is a committee of the main Board of Trustees. Its purpose is to verify that the processes for performance management and associated pay awards for all staff are fair, equitable and in line with statutory and contractual obligations.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Brownlow	1	1
R Newton Chance	1	1
B Cook	1	1

The CEO and CFO are in attendance at the Remuneration 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 Academy 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 2019. 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, the Resources Committee 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.

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

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

During the year two major contracts were tendered for the Catering and Cleaning provision across the Trust. The tender was managed by an external specialist, the procedure was undertaken in line with the Trust's finance policy and procedure. Analysis of the shortlisted tenders was presented to Local Governors and Trustees for a final ratification of the most suitable and cost effective solution. Once in place the contracts will be monitored by the Trust's Client Manager, a member of the central team, thus saving time and money at each of the sites.

The apprenticeship levy is being used effectively to provide quality training to both entry level apprentices and middle and senior leaders. This strategy has released funding to other CPD initiatives and enabled money to be saved.

As the Trust has over 3,000 students it receives an annual allocation of capital SCA funding (School Condition Allocation). The Trust has developed a robust policy to ensure that the funding is employed effectively and consistently across the schools. Any identified works will be carried out in line with the Trust's tender policy.

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

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.

Segregation of duties in terms of authorisation, responsibility and accountability is applied across the Trust to all budget holders, SLT and finance teams. On a termly basis an internal finance audit is undertaken by the Trust's Senior Finance Officer to ensure compliance with key financial risks. Annually internal scrutiny assurance checks are undertaken by external auditors on behalf of the Trustees. These tests are defined by the Audit Committee in line with the key risks to the Trust.

The Risk Register is reviewed annually to ensure the key strategic risks are monitored and ensure mitigation procedures are in place where appropriate. 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 on-going process designed to identify and prioritise the risks to 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

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 2018 to 31 August 2019 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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- 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 auditors, 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.

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.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the 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 5 December 2019 and signed on their behalf by:

R Newton-Chance
Chair of Trustees

D Buckley
Accounting Officer

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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 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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
Date: 5 December 2019

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2019 and signed on its behalf by:

R Newton-Chance
(Chair of Trustees)

**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 2019 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 2018 to 2019 issued by the Education & 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 2019 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 2018 to 2019 issued by the Education & 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.

**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 (CONTINUED)

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**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 (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, 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.

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

11 December 2019

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

**INDEPENDENT REPORTING ACCOUNTANT'S 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 17 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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

Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 5 December 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	16,910	11,227	1,135,546	1,163,683	1,461,817
Charitable activities	4	882,242	17,140,255	-	18,022,497	17,634,273
Other trading activities	6	149,183	-	-	149,183	144,318
Investments	7	4,058	-	-	4,058	931
TOTAL INCOME		1,052,393	17,151,482	1,135,546	19,339,421	19,241,339
EXPENDITURE ON:						
Raising funds		6,036	-	-	6,036	44,244
Charitable activities		917,929	17,448,285	1,051,985	19,418,199	19,551,048
TOTAL EXPENDITURE	8	923,965	17,448,285	1,051,985	19,424,235	19,595,292
NET INCOME/ (EXPENDITURE)		128,428	(296,803)	83,561	(84,814)	(353,953)
Transfers between funds	19	-	(114,470)	114,470	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		128,428	(411,273)	198,031	(84,814)	(353,953)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	25	-	(1,646,000)	-	(1,646,000)	1,221,000
NET MOVEMENT IN FUNDS		128,428	(2,057,273)	198,031	(1,730,814)	867,047

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
RECONCILIATION OF FUNDS:					
Total funds brought forward	296,504	(3,694,526)	34,148,656	30,750,634	29,883,587
Net movement in funds	128,428	(2,057,273)	198,031	(1,730,814)	867,047
TOTAL FUNDS CARRIED FORWARD	424,932	(5,751,799)	34,346,687	29,019,820	30,750,634

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

The notes on pages 35 to 64 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 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	33,294,572	33,475,318
CURRENT ASSETS			
Stocks		6,846	9,774
Debtors	16	1,048,391	1,314,950
Cash at bank and in hand	23	2,483,621	1,741,899
		<u>3,538,858</u>	<u>3,066,623</u>
Creditors: amounts falling due within one year	17	(1,526,610)	(1,738,307)
		<u>2,012,248</u>	<u>1,328,316</u>
NET CURRENT ASSETS		2,012,248	1,328,316
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>35,306,820</u>	<u>34,803,634</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>35,306,820</u>	<u>34,803,634</u>
Defined benefit pension scheme liability	25	(6,287,000)	(4,053,000)
TOTAL NET ASSETS		<u><u>29,019,820</u></u>	<u><u>30,750,634</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	19	34,346,687	34,148,656
Restricted income funds	19	535,201	358,474
		<u>34,881,888</u>	<u>34,507,130</u>
Restricted funds excluding pension liability	19	34,881,888	34,507,130
Pension reserve	19	(6,287,000)	(4,053,000)
		<u>28,594,888</u>	<u>30,454,130</u>
Total restricted funds	19	28,594,888	30,454,130
Unrestricted income funds	19	424,932	296,504
		<u>29,019,820</u>	<u>30,750,634</u>
TOTAL FUNDS		<u><u>29,019,820</u></u>	<u><u>30,750,634</u></u>

The financial statements on pages 31 to 64 were approved by the Trustees, and authorised for issue on 05 December 2019 and are signed on their behalf, by:

R Newton-Chance
(Chair of Trustees)

The notes on pages 35 to 64 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 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	473,358	445,632
CASH FLOWS FROM INVESTING ACTIVITIES	22	268,364	22,087
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		741,722	467,719
Cash and cash equivalents at the beginning of the year		1,741,899	1,274,180
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	<u>2,483,621</u>	<u>1,741,899</u>

The notes on pages 35 to 64 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 2019**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

South East Cornwall Multi Academy Regional Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy 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 Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy 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 Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 EXPENDITURE

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.6 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 Part 11, chapter 3 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.

1.7 TANGIBLE FIXED ASSETS

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

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

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:

Long-term 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 and reclassified to freehold or leasehold land and buildings.

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.11 LIABILITIES

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

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 OPERATING LEASES

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

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 Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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 30.

1.16 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	16,910	11,227	28,137	29,859
Capital Grants	-	1,135,546	1,135,546	1,431,958
	<u>16,910</u>	<u>1,146,773</u>	<u>1,163,683</u>	<u>1,461,817</u>
TOTAL 2018	<u>13,989</u>	<u>1,447,828</u>	<u>1,461,817</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	761,651	17,140,255	17,901,906	17,496,792
Nursery	120,591	-	120,591	137,481
TOTAL 2019	<u>882,242</u>	<u>17,140,255</u>	<u>18,022,497</u>	<u>17,634,273</u>
TOTAL 2018	<u>811,337</u>	<u>16,822,936</u>	<u>17,634,273</u>	

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	14,959,773	14,959,773	14,810,373
Other DfE Group grants	-	1,255,894	1,255,894	1,029,890
	<u>-</u>	<u>16,215,667</u>	<u>16,215,667</u>	<u>15,840,263</u>
Other government grants				
High Needs	-	531,801	531,801	611,468
Other government grants non capital	-	231,371	231,371	92,415
	<u>-</u>	<u>763,172</u>	<u>763,172</u>	<u>703,883</u>
Other funding				
Internal catering income	325,303	-	325,303	322,159
Income for hosting trainee teachers	23,408	-	23,408	14,339
Sales to students	7,982	-	7,982	7,260
Other income	404,958	161,416	566,374	608,888
	<u>761,651</u>	<u>17,140,255</u>	<u>17,901,906</u>	<u>17,496,792</u>
TOTAL 2018	<u>673,856</u>	<u>16,822,936</u>	<u>17,496,792</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	73,907	73,907	76,963
Consultancy income	69,240	69,240	63,311
Breakfast Club fees received	6,036	6,036	4,044
TOTAL 2019	<u>149,183</u>	<u>149,183</u>	<u>144,318</u>

All prior year figures relate to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	4,058	4,058	931

All prior year figures relate to unrestricted funds.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:					
Direct costs	6,036	-	-	6,036	44,244
Educational activities					
Direct costs	12,112,639	763,128	1,804,385	14,680,152	14,856,552
Support costs	2,491,028	846,809	1,283,620	4,621,457	4,601,589
Nursery					
Direct costs	97,308	-	-	97,308	90,870
Support costs	-	2,179	17,103	19,282	2,037
	<u>14,707,011</u>	<u>1,612,116</u>	<u>3,105,108</u>	<u>19,424,235</u>	<u>19,595,292</u>
TOTAL 2018	<u>14,894,345</u>	<u>1,732,434</u>	<u>2,968,513</u>	<u>19,595,292</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational activities	14,680,152	4,621,457	19,301,609	19,458,141
Nursery	97,308	19,282	116,590	92,907
	<u>14,777,460</u>	<u>4,640,739</u>	<u>19,418,199</u>	<u>19,551,048</u>
TOTAL 2018	<u>14,947,422</u>	<u>4,603,626</u>	<u>19,551,048</u>	

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	59,000	-	59,000	49,000
Staff costs	11,844,318	97,308	11,941,626	12,160,959
Depreciation	927,735	-	927,735	969,419
Educational supplies	622,570	-	622,570	617,193
Examination fees	240,720	-	240,720	239,980
Staff development	52,898	-	52,898	46,880
Other costs	664,590	-	664,590	632,076
Supply teachers	268,321	-	268,321	231,915
	<u>14,680,152</u>	<u>97,308</u>	<u>14,777,460</u>	<u>14,947,422</u>
TOTAL 2018	<u><u>14,856,552</u></u>	<u><u>90,870</u></u>	<u><u>14,947,422</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	61,000	-	61,000	72,000
Staff costs	2,491,028	-	2,491,028	2,442,727
Depreciation	124,230	-	124,230	157,476
Other costs	133,232	-	133,232	181,984
Recruitment and support	33,980	-	33,980	22,959
Maintenance of premises and equipment	152,592	17,103	169,695	200,419
Cleaning	48,391	129	48,520	182,683
Rent and rates	151,926	391	152,317	143,995
Energy costs	291,402	1,659	293,061	282,324
Insurance	167,595	-	167,595	103,367
Security and transport	68,912	-	68,912	78,917
Catering	266,589	-	266,589	246,489
Technology costs	176,994	-	176,994	148,393
Office overheads	58,604	-	58,604	56,508
Legal and professional	360,939	-	360,939	261,124
Bank interest and charges	9,743	-	9,743	8,950
Governance costs	24,300	-	24,300	13,311
	<u>4,621,457</u>	<u>19,282</u>	<u>4,640,739</u>	<u>4,603,626</u>
TOTAL 2018	<u>4,601,589</u>	<u>2,037</u>	<u>4,603,626</u>	

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	48,814	48,282
Depreciation of tangible fixed assets	1,051,986	1,126,890
Fees paid to auditors for:		
- audit	12,450	11,600
- other services	5,500	4,974

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	11,018,759	11,057,412
Social security costs	1,014,433	1,007,490
Pension costs	2,405,498	2,556,495
	14,438,690	14,621,397
Agency staff costs	268,321	231,915
Staff restructuring costs	-	26,533
Other costs	-	14,500
	14,707,011	14,894,345

Staff restructuring costs comprise:

	2019	2018
	£	£
Redundancy payments	-	26,533
Severance payments	-	14,500
	-	41,033

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in prior year 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 Academy Trust during the year was as follows:

	2019	2018
	No.	No.
Teachers	178	197
Administration and support	210	229
Management	25	23
	413	449

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	162	174
Administration and support	158	169
Management	25	42
	345	385

d. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	1	-

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 £682,747 for 9 (8 FTE) personnel (2018: £683,215 for 8 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 13 has not been included in the total benefits received by key management personnel above.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. 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:

	2019	2018
	£	£
Dobwalls Community Primary School	34,380	34,752
Landulph Primary School	16,716	14,736
Liskeard School & Community College	254,292	239,224
Looe Community College	122,700	122,628
Saltash.net Community School	308,676	314,784
Trewidland Primary and Pre-School	9,588	10,560
TOTAL	746,352	736,684

13. 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 £90,000 and £95,000 (2018: between £85,000 and £90,000), employer's pension contributions between £15,000 and £20,000 (2018: between £10,000 and £15,000).

During the year ended 31 August 2019, expenses totalling £3,510 were reimbursed or paid directly to 5 Trustees (2018: £2,520 to 5 Trustees).

Other related party transactions involving the Trustees are set out in Note 29.

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £833 (2018: £833). The cost of this insurance is included in the total insurance cost.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST				
At 1 September 2018	36,882,156	381,177	846,111	38,109,444
Additions	700,357	58,559	112,324	871,240
At 31 August 2019	<u>37,582,513</u>	<u>439,736</u>	<u>958,435</u>	<u>38,980,684</u>
DEPRECIATION				
At 1 September 2018	3,776,684	217,858	639,584	4,634,126
Charge for the year	887,358	51,989	112,639	1,051,986
At 31 August 2019	<u>4,664,042</u>	<u>269,847</u>	<u>752,223</u>	<u>5,686,112</u>
NET BOOK VALUE				
At 31 August 2019	<u>32,918,471</u>	<u>169,889</u>	<u>206,212</u>	<u>33,294,572</u>
At 31 August 2018	<u>33,105,472</u>	<u>163,319</u>	<u>206,527</u>	<u>33,475,318</u>

16. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	78,875	248,372
Prepayments and accrued income	843,055	937,443
Tax recoverable	126,461	129,135
	<u>1,048,391</u>	<u>1,314,950</u>

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	297,068	490,867
Other taxation and social security	519,966	517,600
Other creditors	28,292	20,230
Accruals and deferred income	681,284	709,610
	<u>1,526,610</u>	<u>1,738,307</u>
	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September 2018	97,790	34,993
Resources deferred during the year	79,147	97,790
Amounts released from previous periods	(97,790)	(34,993)
	<u>79,147</u>	<u>97,790</u>
Deferred income at 31 August 2019	<u>79,147</u>	<u>97,790</u>

At the Balance Sheet date the Trust was holding funds received in respect of income for Universal Infant Free School Meals funding and rates relief for the 2019/20 academic year.

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>3,148,092</u>	<u>2,713,633</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(927,497)</u>	<u>(1,111,471)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accrued income.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	296,504	1,052,393	(923,965)	-	-	424,932
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	260,197	14,959,773	(14,663,894)	(114,470)	-	441,606
Start up Grants	13,749	-	(13,749)	-	-	-
Pupil Premium	39,748	858,780	(850,974)	-	-	47,554
PE and Sports Grant	11,551	50,450	(48,843)	-	-	13,158
Local Authority funding	215	531,801	(532,016)	-	-	-
Other government grants	7,199	531,519	(517,562)	-	-	21,156
General	22,689	207,974	(217,066)	-	-	13,597
School trips	3,126	11,185	(16,181)	-	-	(1,870)
Pension reserve	(4,053,000)	-	(588,000)	-	(1,646,000)	(6,287,000)
	(3,694,526)	17,151,482	(17,448,285)	(114,470)	(1,646,000)	(5,751,799)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on joining the Trust	30,556,389	-	(807,911)	-	-	29,748,478
Fixed assets purchased from GAG and other restricted funds	277,025	-	(102,313)	114,470	-	289,182
LA Devolved Formula Capital	53,697	-	-	-	-	53,697
Academy Capital Maintenance Grant	1,747,223	-	(45,996)	-	-	1,701,227
Developed Formula Capital/ SCA	642,391	723,169	(32,679)	-	-	1,332,881
Other capital grants received	34,586	776	(22,875)	-	-	12,487
Local Authority funding	388,111	411,601	(15,881)	-	-	783,831
Big Lottery	1,899	-	(1,664)	-	-	235
Condition Improvement Fund	429,301	-	(16,953)	-	-	412,348
Purchased from Pupil Premium	12,077	-	(3,387)	-	-	8,690
Purchased from unrestricted funds	5,957	-	(2,326)	-	-	3,631
	<u>34,148,656</u>	<u>1,135,546</u>	<u>(1,051,985)</u>	<u>114,470</u>	<u>-</u>	<u>34,346,687</u>
TOTAL RESTRICTED FUNDS	<u>30,454,130</u>	<u>18,287,028</u>	<u>(18,500,270)</u>	<u>-</u>	<u>(1,646,000)</u>	<u>28,594,888</u>
TOTAL FUNDS	<u><u>30,750,634</u></u>	<u><u>19,339,421</u></u>	<u><u>(19,424,235)</u></u>	<u><u>-</u></u>	<u><u>(1,646,000)</u></u>	<u><u>29,019,820</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. STATEMENT OF FUNDS (CONTINUED)

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.

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.

Restricted 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.

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19. STATEMENT OF FUNDS (CONTINUED)

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 it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Dobwalls Community Primary School	57,526	58,703
Landulph Primary School	37,154	22,380
Liskeard School & Community College	(5,330)	(106,634)
Looe Community Academy	133,658	46,335
Saltash.net Community School	551,112	507,597
Trewidland Primary and Pre-School	11,015	6,489
Central Business Unit	174,998	120,108
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	960,133	654,978
Restricted fixed asset fund	34,346,687	34,148,656
Pension reserve	(6,287,000)	(4,053,000)
	<hr/>	<hr/>
TOTAL	29,019,820	30,750,634
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit
	£
Liskeard School & Community College	(5,330)
	<hr/> <hr/>

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

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

Significant progress has been made this year to return the academy to surplus, and changes implemented will continue to improve the financial position.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Dobwalls Community Primary School	507,471	74,181	97,537	91,619	770,808	798,399
Landulph Primary School	271,387	25,783	47,939	35,035	380,144	335,023
Liskeard School & Community College	4,212,536	617,869	716,936	521,237	6,068,578	5,785,960
Looe Community Academy	1,673,112	400,088	313,594	205,122	2,591,916	2,705,761
Saltash.net Community School	4,703,822	862,861	920,504	567,180	7,054,367	7,290,509
Trewidland Primary and Pre-School	127,947	22,738	25,271	39,901	215,857	247,746
Central Business Unit	209,174	261,721	37,544	194,161	702,600	607,999
ACADEMY TRUST	11,705,449	2,265,241	2,159,325	1,654,255	17,784,270	17,771,397

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19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	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 GENERAL FUNDS						
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 and Sports Grant	3,081	65,153	(56,683)	-	-	11,551
Local Authority funding	1,408	616,117	(617,310)	-	-	215
Other government grants	1,800	138,503	(137,467)	4,363	-	7,199
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)
	<u>(4,222,066)</u>	<u>16,838,806</u>	<u>(17,583,704)</u>	<u>51,438</u>	<u>1,221,000</u>	<u>(3,694,526)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
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)	-	-	12,077
Purchased from unrestricted funds	-	-	(91)	-	-	5,957
	<u>33,723,136</u>	<u>1,431,958</u>	<u>(1,126,895)</u>	<u>103,649</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>155,087</u>	<u>1,221,000</u>	<u>30,454,130</u>
TOTAL FUNDS	<u><u>29,883,587</u></u>	<u><u>19,241,339</u></u>	<u><u>(19,595,292)</u></u>	<u><u>(16,808)</u></u>	<u><u>1,221,000</u></u>	<u><u>30,750,634</u></u>

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	33,294,572	33,294,572
Current assets	424,932	2,061,811	1,052,115	3,538,858
Creditors due within one year	-	(1,526,610)	-	(1,526,610)
Provisions for liabilities and charges	-	(6,287,000)	-	(6,287,000)
TOTAL	<u>424,932</u>	<u>(5,751,799)</u>	<u>34,346,687</u>	<u>29,019,820</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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)
Provisions for liabilities and charges	-	(4,053,000)	-	(4,053,000)
TOTAL	<u>296,504</u>	<u>(3,694,526)</u>	<u>34,148,656</u>	<u>30,750,634</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(84,814)	(353,953)
ADJUSTMENTS FOR:		
Depreciation charges	1,051,986	1,126,890
Capital grants from DfE and other capital income	(1,135,546)	(1,431,958)
Interest receivable	(4,058)	(931)
Defined benefit pension scheme cost less contributions payable	468,000	576,000
Defined benefit pension scheme finance cost	120,000	121,000
Increase in stocks	2,928	(585)
Decrease in debtors	266,559	146,067
(Decrease)/increase in creditors	(211,697)	263,102
NET CASH PROVIDED BY OPERATING ACTIVITIES	473,358	445,632

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	4,058	931
Purchase of tangible fixed assets	(871,240)	(1,410,802)
Capital grants from DfE and other capital income	1,135,546	1,431,958
NET CASH PROVIDED BY INVESTING ACTIVITIES	268,364	22,087

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	2,483,621	1,741,899

24. CAPITAL COMMITMENTS

	2019 £	2018 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	19,342	-

25. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 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

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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25. PENSION COMMITMENTS (CONTINUED)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £1,240,867 (2018: £1,256,121).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £736,272 (2018: £912,000), of which employer's contributions totalled £552,050 (2018: £726,000) and employees' contributions totalled £ 184,221 (2018: £186,000). The agreed contribution rates for future years are 15.4 per cent for employers and 5.5-12.5 per cent 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

	2019	2018
	%	%
Rate of increase in salaries	2.40	2.50
Rate of increase for pensions in payment/ inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.6	24.5
<i>Retiring in 20 years</i>		
Males	22.3	24.0
Females	25.0	26.4

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25. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	6,053,000	4,468,800
Gilts	4,454,000	3,921,600
Property	799,000	6,398,400
Cash and other liquid assets	114,000	91,200
Total market value of assets	11,420,000	14,880,000

The actual return on scheme assets was £1,244,000 (2018: £456,000).

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

	2019	2018
	£	£
Current service cost	(1,147,000)	(1,276,000)
Past service cost	(16,000)	(26,000)
Interest income	273,000	212,000
Interest cost	(393,000)	(333,000)
Total amount recognised in the Statement of Financial Activities	(1,283,000)	(1,423,000)

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

	2019	2018
	£	£
At 1 September	13,417,000	12,636,000
Current service cost	1,147,000	1,276,000
Interest cost	393,000	333,000
Employee contributions	184,000	186,000
Actuarial losses/ (gains)	2,617,000	(977,000)
Benefits paid	(66,000)	(63,000)
Past service costs	16,000	26,000
At 31 August	17,708,000	13,417,000

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25. PENSION COMMITMENTS (CONTINUED)

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

	2019	2018
	£	£
At 1 September	9,364,000	8,059,000
Interest income	273,000	212,000
Actuarial gains	971,000	244,000
Employer contributions	695,000	726,000
Employee contributions	184,000	186,000
Benefits paid	(66,000)	(63,000)
At 31 August	11,421,000	9,364,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Amounts payable:		
Not later than 1 year	39,049	46,185
Later than 1 year and not later than 5 years	40,851	60,063
	79,900	106,248

27. MEMBERS' LIABILITY

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

28. GENERAL INFORMATION

South East Cornwall Multi Academy Regional Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Liskeard School and Community College, Luxstowe, Liskeard, Cornwall, PL14 3EA.

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29. 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 13.

Owing to the nature of the Academy 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 Trustees has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures.

30. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2019 the Trust received £30,229 and disbursed £25,360. An amount of £4,869 is included in other creditors relating to undistributed funds that is repayable to ESFA.