

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

**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
K Martin
P Castell
S Lloyd

Trustees

R Newton Chance, Chair^{1,2,3,5}
C Stevens, Vice Chair^{4,6}
D Buckley, Chief Executive Officer & Accounting Officer^{1,2,3,4,5,6}
S Brownlow (resigned 21 July 2021)^{4,6}
C Piper (appointed 24 September 2020)^{1,3}
L Hallam (appointed 28 May 2021)^{1,3}
H Casson^{2,5}
B Cook^{1,3}
J Crisp^{2,5}
L Lawson^{4,6}
S Lloyd (appointed 5 October 2021)
R Brooks (appointed 8 November 2021)
C Marshall (resigned 9 October 2020)

- ¹ Audit & Risk Committee
- ² Learning Committee
- ³ Resources Committee
- ⁴ People Committee
- ⁵ Admissions Committee
- ⁶ Remuneration 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
K Pipe, Dobwalls Community Primary School Acting Headteacher
K Ball, Landulph School Headteacher
A Lingard, Liskeard School & Community College Headteacher
S Yalden, Looe Community Academy Headteacher
K Littleddyke, Saltash Community School Headteacher
V Lovell, Trewidland Primary School Headteacher

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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 2021**

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Academy 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 3,179 in the school census in October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

SMART (South East Cornwall Multi Academy Regional Trust) is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy.

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

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

Trustees' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at SMART's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the SMART, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of SMART. The limit of this indemnity is £1,000,000.

Method of recruitment and appointment or election of Trustees

The Board is organised around specified roles and committees. The Board recruits to specific roles as and when necessary, by inviting applications from people with the suitable attributes and experience for the role.

Depending on the appointing group, applications will be considered by the Trustees or Members of SMART who will decide the successful candidate. The appointment is subject to the issue of a satisfactory enhanced DBS check, completed application forms and skills audit and a successful interview.

In making appointments, 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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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 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, the Chief Financial Officer and the Headteachers of each of the schools. The Headteachers and 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.

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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Trade union facility time

Relevant union officials

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

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

Provide the total cost of facility time	£2,486.46
Provide the total pay bill	15,193,029
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.0164

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	100%
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Related Parties and other Connected Charities and Organisations

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

Engagement with employees (including disabled persons)

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.

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials particularly when establishing and reviewing policies.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

During the year the trust have continued to foster professional relationships with its suppliers and customers, including its stakeholders in the wider community. This year with the impact of Covid-19, it has been especially pertinent to adhere to the government's Procurement Policy Notes, PPN02 and 04. The Trust has invested time in communicating with its major contractors, mainly those that provide catering and cleaning to ensure that the correct measures were in place due to the changes required due to school closures. The Trust has ensured that timely payments have been made to all suppliers and contractors, this includes building contractors who have undertaken larger contracted works during the summer months.

The Trust always observes the 7 principles of public life. These principles underpin the decisions made by the company when engaging with suppliers, customers, and beneficiaries.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

SMART Learners

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

SMART Leaders

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

SMART Communities

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

Objectives, Strategies and Activities

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

At present these are:

- To remove disadvantage so all children make good progress and evaluated intervention is applied.
- To challenge the most able by questioning deeply for understanding and having the highest aspiration for achievement.
- To personalise learning for all by integrating academic and wellbeing skills in a broad, balanced curriculum.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- To develop leaders at all levels by distributed leadership for all adults and talent management for succession.
- To support excellent governance so all governors, trustees 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 Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academies aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

For most of the year, due to lockdowns and restrictive mitigations in place for Covid-19, we paused our planned development work but this was quickly replaced with new demands such as how to teach children through remote learning; how to support colleagues when face to face meetings could no longer take place and how to find new ways of supporting children, families and colleagues whose support networks could not function as they normally do. We rose to all of these challenges with solutions that each received considerable praise because they were based on a deep commitment to the pupils and their communities that went far beyond the usual expectations. Some of the outstanding results of all of this commitment are contained within this report.

Teachers, support, and admin teams across the Trust deserve particular praise for the flexibility and adaptability that they have shown as each remodelling of the schools around each new Covid guidance document led to new challenges. Despite working in very different classrooms and bubbles; some virtual and live, some plagued by every form of feedback known, some pre-recorded while talking to themselves on their own in their front room! What unfailingly shone through was the determination to give all children the very best education possible regardless of the circumstances. These qualities were spoken of with such pride by the pupils in student council meetings and the parents in the surveys we conducted.

As we were unable to visit large numbers of pupils, we devised a method by which pupils from an increasing number of 'bubbles' could ask their class a series of questions devised by the Trust Board, Local Governors, Headteachers and the pupils themselves. These pupil representatives could then feedback their findings during an online meeting. We conducted six of these in the year, reaching an increasing number of pupils up to a maximum of 700. Alexis Field from Looe Valley Trails came to present to the group and nominated two student councillors to sit on their decision making board next year. All the students who chaired the meetings, those who took part and those who ran operations in the school earned leadership awards.

These six meetings were in good agreement with the parent surveys each school conducted and the accounts from teachers. All three sources informed us that the parents and pupils were enormously grateful for the high quality care and remote learning that they were receiving throughout the crisis.

Outside of the classroom, the whole staff team took on such tasks as being onsite Covid LFD test teams, being guardians for bubbles of pupils as well as being active members of support teams for each other, for parents and for children who have required additional help. Despite the pandemic we established new roles

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including the COO, Estates and Premises Officer, ICT officer, operations managers and changed responsibilities for our finance teams. Major projects such as the upgrade of all of our ICT services across the Trust have been kept on track and to the timetable throughout the year. Once again evidence of the considerable determination and professionalism of our whole team.

Sadly, we were unable to all come together for SMART day (the annual Trust wide training day) this year but despite this, really effective cross-Trust collaboration was still achieved in numerous areas. Most notably our subject leads and curriculum middle leaders who collaborated across the Trust to continue the development of our shared model of learning. This work is as a result of excellent professional debate and a marked increase in the use of professional reading to re-examine our pedagogy and how children learn. This work is aligned with, but ahead of, the OFSTED subject reviews guidance released during the year.

Our Deputies and Pastoral Leaders were also able to come together to formulate a new agreed relationships and behaviour policy for all six schools once again engaging in detailed professional debate. Our union representatives also have continued to meet with Headteachers and with the CEO throughout the year and we continue to value their contribution to understanding all functions of our organisation.

In addition to our staff team, we were incredibly fortunate to have retained and even grown our team of Local Governors and Trustees during the year. Our Clerk very quickly became our self-taught expert in virtual governance such that quorate meetings, links and training have continued and even improved. All of our Governors and Trustees volunteer their time and expertise freely and most have also had to juggle the demands of changes in their employment, child care and working remotely during this period so we are especially grateful for their continued commitment and the change of their role to one of support during the pandemic. In addition to their own teams, this year we have had governors collaborating between schools and sharing the load when governors have been needed for panels or we have needed to share expertise. This flexibility has made an enormous difference and has offered considerable support, particularly to our leadership teams.

In recognition of her outstanding facilitation of all of this Governor and Trustee work our Clerk, was congratulated as a finalist of the national governance professional awards held in the Houses of Parliament this September.

We are proud of the outstanding TAG (Teacher assessed grade) work conducted by each of our Secondary schools. This represented an enormous additional quantity of work. Our schools all acted ethically in the interests of the child such that the overall profile of the results was within variation from the three-year trend. Despite media reports of inflated grades, we received very few appeals when ours were in line with actual ability of each student without inflation having taken place.

Our internal primary and secondary data has been shared with governors and demonstrates that although the pandemic impacted all of our learners, they continued to make good progress when in school and many did so during lockdowns also. This data is internal and not published publicly in detail.

Key Performance Indicators

The following KPI's were set at the start of the year

	Target	Actual
In year balance as a % of total income	0.01%	2.95%
Revenue reserve as a % of total income	5.42%	7.80%
Senior Leaders as a % of workforce	5.96%	6.08%
Pupil to teacher ratio	17.21	18.76
Staffing % of total income	79.66%	78.81%

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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, provided the current additional grants for Teachers' pay and pension contributions continue at the current level. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

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 2021 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 2021 total expenditure of £20,618,804 was covered by recurrent grant funding from the DfE, together with other incoming resources totalling £20,357,398. During the year expenditure exceeded income by £261,406. This excludes the restricted fixed asset funds.

At 31 August 2021 the net book value of fixed assets was £32,990,490 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 2021 held a deficit of £10,471,000, the breakdown of which is detailed within note 26 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.

It is the intention of the Trust Board 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 £1,291,195. Current free reserves (GAG and unrestricted funds) are £1,370,675. This is slightly higher than expected due to anticipated expenditure being delayed. This expenditure will take place in 2021/22 and therefore the net effect on the reserve is £1,270,975.

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.

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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 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 in the full risk register and are as follows:

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

FUNDRAISING

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data	2021	2020
Energy consumption used to calculate emissions (kWh)	3,678,618	3,522,231
Energy consumption break down (kWh) (optional)		
• gas,	2,503,243	2,280,510
• electricity,	1,158,451	1,184,861
• transport fuel	16,924	56,860
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	460	419
Owned transport – mini-buses	2	9
<u>Total scope 1</u>	462	428
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	270	276
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee owned vehicles	2	6
Total gross emissions in metric tonnes CO ₂ e	734	710
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.23	0.23

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across our sites and are upgrading windows and window walling to improve the quality of the environment and heat retention. Solar panels are in place at two of the large secondary schools. All replacement lighting is more energy efficient and includes movement sensors to ensure lighting is switched off automatically when an area is not in use.

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Across the trust there is increased the use of technology for virtual meetings for staff, governor, and trustees to reduce the need for travel between sites. When travel between sites does occur, we encourage car sharing where possible.

SMART's Business Development Plan also includes a strand to identify strategies for achieving Carbon Neutral Status in the longer term.

PLANS FOR FUTURE PERIODS

Key plans for the future include:

- To continue the successful reduction in the attendance and progress gap for disadvantaged pupils.
- 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.
- 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 Trust over the last three years that data was available.
- 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.
- To begin to integrate SECRET skills into subjects across the Trust
- To formulate a new five year strategic plan including continuous improvement in furthering equality and responding to the 'Everyone's Invited' agenda.
- 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 in previous years which will be implemented throughout the coming year.
- To support excellent governance by continuing our successful 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, CAPH and CACE and continuing to share exemplar solutions with other institutions locally, nationally, and internationally.
- To embed our new Trust central team structures and ICT domain which were introduced last year.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 9th December 2021 and signed on the board's behalf by:

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

R Newton Chance
Chair of Trustees

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

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021**

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 to 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 met formally as a group 3 times during the year. Whilst the full board meets less than 6 times a year, all 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. Due to Covid restrictions that are in place, the majority of Trustee and Governor meetings have taken place virtually via 'Teams'.

Trustee	Meetings attended	Out of a possible
R Newton Chance, Chair	2	3
D Buckley, Accounting Officer & CEO	3	3
C Piper (from 24.9.20)	3	3
L Hallam (from 28.5.21)	1	1
B Cook	3	3
S Brownlow (ended 20.7.21)	3	3
J Crisp	3	3
H Casson	3	3
C Stevens	2	3
C Marshall (ended 9.10.20)	0	0
L Lawson	1	3

Trust Board Annual Review 2020

The Trust conducts an annual review of the effectiveness of the Trust Board with Members. The review focuses on the following questions from the SMART Scheme of Delegation and previously agreed with Members:

1. Is the Trust Board effectively fulfilling its core governance functions?
2. Is the work and performance of the Trust Board closely aligned with SMART's stated vision and values?
3. Is there a convincing rationale for the goals set out in the Trust's Strategic Plan and is there evidence that the Board is active and effective in supporting and monitoring progress towards the achievement of these goals and of the Trust's charitable objectives?
4. Are there effective procedures for holding senior leaders to account for the performance of the Trust and its constituent schools and the quality of education and learning they provide?
5. Is financial oversight sound? Are there significant financial risks facing SMART as a whole, or its individual schools of which the Members should be aware?

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Reviewed against national standards, are there significant risks to educational quality, pupil progress and attainment or to matters of student welfare, safeguarding and well-being? Is the Board confident of its capacity to address these risks effectively, including but not exclusively, in any schools with an OFSTED 3 or 4 judgement or in danger of receiving one? Are there wider reputational risks to SMART which need to be addressed?
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? Are the right people around the table and are there any significant skills gaps?
9. Does the Trust have in place effective procedures to ensure that the Board has a sound knowledge of the individual schools in SMART and that best endeavours are made to meet their needs?
10. Has the Trust Board reviewed its own performance? Was it an internal or external review, which stakeholders participated in the review, what were the conclusions and recommendations and how has the Trust Board acted on them?

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

- 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 subcommittee 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
- A survey conducted on the basis of the MAT Assurance Framework

The Trust Board Chair has prepared a report against each of these questions which has been presented and accepted by Members.

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 and monitor any associated risks.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Crisp Chair	3	3
H Casson	3	3
R Newton Chance	3	3

The CEO is in attendance at the Learning Committee meetings.

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 and monitoring any associated risks.

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Hallam	2	2
C Piper	3	4
R Newton Chance	3	4
B Cook, Chair	4	4

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
L Lawson	1	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 and monitor any associated risks.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Piper, Chair	2	3
L Hallam	1	1
R Newton Chance	2	3
B Cook	3	3

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

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 and monitor any associated risks

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Brownlow	2	2
L Lawson	1	2
C Stevens	2	2

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Improving Educational Results

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

- Engaged with other providers within the local area to provide cost effective, quality vocational study opportunities to students who require alternative provision.
- 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 including through focusing Pupil Premium, Sports funding and Covid related Catch-up funding.
- Developed an agreed learning model that will enable greater identification of gaps in understanding across all subjects.

The effectiveness of these strategies will no doubt 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 2022. Our process of arriving at assessed grades for examination groups last summer was accepted by the examination boards. Evidence of the other targeted groups is detailed within the Pupil Premium report published on the academies' websites. Where expected improvements have not occurred, each of the schools has been internally reviewed and specific, impact assessment based 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 Trust wide discounts and alignment of contracts where possible
- A tender process for major purchases and contracts

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 are carried out in line with the Trust's tender policy.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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 the 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 an external firm 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 regularly during the year 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 ongoing process designed to identify and prioritise the risks the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in South East Cornwall Multi Academy Regional Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the SMART 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 have been in place for the period from 1 September 2020 to 31 August 2021 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

SMART'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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Board of Trustees has considered the need for a specific internal audit function and have decided to appoint an internal auditor, Kreston Reeves to perform testing.

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 Kreston Reeves 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 Kreston Reeves delivered their schedule of work as planned. There were no material control issues arising as a result of their work.

REVIEW OF EFFECTIVENESS

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

- The work of the external auditor
- 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 9 December 2021 and signed on its behalf by:

R Newton Chance
Chair of Trustees

D Buckley
Accounting Officer

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

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 ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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:

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 and signed on its behalf by:

R Newton Chance
(Chair of Trustees)
Date:

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

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

OPINION

We have audited the financial statements of South East Cornwall Multi Academy Regional Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Kevin Connor FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date:

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

**INDEPENDENT REPORTING 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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

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

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

**SOUTH EAST CORNWALL MULTI ACADEMY REGIONAL TRUST
(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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kevin Connor FCA (Reporting Accountant)

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

Date:

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	9,039	4,439	898,119	911,597	1,068,924
Other trading activities		73,447	-	-	73,447	125,249
Investments	7	396	-	-	396	1,263
Charitable activities	4	214,856	19,157,102	-	19,371,958	18,327,749
Total income		297,738	19,161,541	898,119	20,357,398	19,523,185
Expenditure on:						
Raising funds		2,608	-	-	2,608	4,849
Charitable activities		228,689	19,256,505	1,131,002	20,616,196	20,146,025
Total expenditure		231,297	19,256,505	1,131,002	20,618,804	20,150,874
NET INCOME/ (EXPENDITURE)		66,441	(94,964)	(232,883)	(261,406)	(627,689)
Transfers between funds	19	-	(254,589)	254,589	-	-
Net movement in funds before other recognised gains/(losses)		66,441	(349,553)	21,706	(261,406)	(627,689)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,141,000)	-	(2,141,000)	(351,000)
Net movement in funds		66,441	(2,490,553)	21,706	(2,402,406)	(978,689)
Reconciliation of funds:						
Total funds brought forward		368,251	(6,831,716)	34,504,596	28,041,131	29,019,820
Net movement in funds		66,441	(2,490,553)	21,706	(2,402,406)	(978,689)
Total funds carried forward		434,692	(9,322,269)	34,526,302	25,638,725	28,041,131

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 60 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 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	32,990,490	33,197,046
Current assets			
Stocks	16	3,811	7,770
Debtors	17	692,104	700,899
Cash at bank and in hand	23	3,719,010	3,232,767
		<u>4,414,925</u>	<u>3,941,436</u>
Creditors: amounts falling due within one year	18	(1,295,690)	(1,612,351)
		<u>3,119,235</u>	<u>2,329,085</u>
Net current assets		3,119,235	2,329,085
Total assets less current liabilities		36,109,725	35,526,131
Net assets excluding pension liability		36,109,725	35,526,131
Defined benefit pension scheme liability	26	(10,471,000)	(7,485,000)
Total net assets		25,638,725	28,041,131
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	34,526,302	34,504,596
Restricted income funds	19	1,148,731	653,284
		<u>35,675,033</u>	<u>35,157,880</u>
Restricted funds excluding pension liability	19	35,675,033	35,157,880
Pension reserve	19	(10,471,000)	(7,485,000)
		<u>25,204,033</u>	<u>27,672,880</u>
Total restricted funds	19	25,204,033	27,672,880
Unrestricted income funds	19	434,692	368,251
		<u>25,638,725</u>	<u>28,041,131</u>
Total funds		25,638,725	28,041,131

The financial statements on pages 28 to 60 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

R Newton Chance
(Chair of Trustees)

The notes on pages 31 to 60 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 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	476,462	683,589
Cash flows from investing activities	22	9,781	65,557
Change in cash and cash equivalents in the year		486,243	749,146
Cash and cash equivalents at the beginning of the year		3,232,767	2,483,621
Cash and cash equivalents at the end of the year	23, 24	3,719,010	3,232,767

The notes on pages 31 to 60 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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 2019 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

• **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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

• **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.

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

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:

Freehold property	- 2% straight line
Long-term leasehold property	- 5% / 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 is based on the cost of purchases on a first in first out basis.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

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 17. 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 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

1.14 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS (CONTINUED)

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

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy 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 31.

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.

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	9,039	4,439	65,457	78,935
Capital Grants	-	-	832,662	832,662
TOTAL 2021	<u>9,039</u>	<u>4,439</u>	<u>898,119</u>	<u>911,597</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	2,742	10,069	-	12,811
Capital Grants	-	-	1,056,113	1,056,113
TOTAL 2020	<u>2,742</u>	<u>10,069</u>	<u>1,056,113</u>	<u>1,068,924</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Education	214,856	19,157,102	19,371,958

Following clarification in the AAD, nursery activities which were previously separately identified as their own charitable activity have now been included within Educational activities reported throughout the accounts.

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Education	254,030	18,073,719	18,327,749

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant	-	15,842,203	15,842,203
OTHER DFE/ESFA GRANTS			
Pupil Premium	-	768,399	768,399
Teachers' Pension grant	-	601,261	601,261
Other DfE Group grants	-	788,632	788,632
	-	-	18,000,495
OTHER GOVERNMENT GRANTS			
High Needs	-	467,664	467,664
Other Government grants non capital	-	175,810	175,810
	-	643,474	643,474
Other income from the Academy Trust's education	214,856	162,523	377,379
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Catch-up Premium	-	237,520	237,520
	-	237,520	237,520
COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)			
Other COVID-19 funding	-	113,090	113,090
	-	113,090	113,090
TOTAL 2021	214,856	19,157,102	19,371,958

The Academy Trust received £237,520 of funding for catch-up premium and costs incurred in respect of this funding totalled £192,640, with £44,790 carried forward to spend in 2021/22.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS (CONTINUED)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DFE/ESFA GRANTS			
General Annual Grant	-	15,168,911	15,168,911
OTHER DFE/ESFA GRANTS			
Pupil Premium	-	800,122	800,122
Teachers' Pension grant	-	815,304	815,304
Other DfE Group grants	-	522,630	522,630
	-	-	17,306,967
OTHER GOVERNMENT GRANTS			
High Needs	-	420,159	420,159
Other Government grants non capital	-	144,228	144,228
	-	564,387	564,387
Other income from the Academy Trust's education	254,030	202,365	456,395
TOTAL 2020	254,030	18,073,719	18,327,749

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Trust's funding for Pupil Premium and Teachers' Pension are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	20,293	20,293	55,254
Consultancy income	50,617	50,617	65,146
Breakfast Club fees received	2,537	2,537	4,849
TOTAL 2021	73,447	73,447	125,249

All 2020 amounts 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 2021**

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	396	396	1,263

All 2020 amounts relate to unrestricted funds.

8. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	2,236	-	372	2,608
Educational activities				
Direct costs	13,558,277	795,858	1,435,397	15,789,532
Support costs	2,427,136	760,638	1,638,890	4,826,664
TOTAL 2021	15,987,649	1,556,496	3,074,659	20,618,804

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	4,849	-	-	4,849
Educational activities				
Direct costs	13,306,490	936,837	1,331,493	15,574,820
Support costs	2,393,324	814,846	1,363,035	4,571,205
TOTAL 2020	15,704,663	1,751,683	2,694,528	20,150,874

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Education	15,789,532	4,826,664	20,616,196
	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	15,574,820	4,571,205	20,146,025

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	58,000	56,000
Staff costs	2,427,136	2,393,324
Depreciation	133,978	152,508
Other costs	102,600	96,343
Recruitment and support	47,001	35,530
Maintenance of premises and equipment	205,894	160,082
Cleaning	67,725	49,450
Rent and rates	139,212	129,164
Energy costs	263,309	268,311
Insurance	176,793	149,876
Security and transport	39,341	57,122
Catering	145,680	151,797
Technology costs	329,554	197,436
Office overheads	57,484	59,804
Legal and professional	578,792	567,513
Bank interest and charges	2,355	4,491
Governance costs	51,810	42,454
	4,826,664	4,571,205

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	66,971	56,689
Depreciation of tangible fixed assets	1,131,002	1,089,345
Fees paid to auditors for:		
- audit	12,800	12,700
- other services	5,180	6,820

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	11,159,589	11,009,621
Social security costs	1,104,257	1,082,297
Pension costs	3,232,424	3,221,202
	15,496,270	15,313,120
Agency staff costs	491,379	368,137
Staff restructuring costs	-	23,406
	15,987,649	15,704,663
	2021	2020
	£	£
Redundancy payments	-	23,406
	-	23,406

b. STAFF NUMBERS

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

	2021	2020
	No.	No.
Teachers	182	179
Administration and support	191	186
Management	24	24
	397	389

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11. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	7	7
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	1
	<u><u>12</u></u>	<u><u>11</u></u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy 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 employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £787,891 (2020: £752,574) for 8 (2020: 8) personnel.

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% (2020: 5%) top slice of the Academy Trust's annual funding is retained.

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Dobwalls Community Primary School	40,043	35,628
Landulph School	17,584	16,476
Liskeard School & Community College	275,520	261,132
Looe Community Academy	128,783	132,816
Saltash Community School	316,468	308,448
Trewidland Primary School	8,039	9,300
TOTAL	<u><u>786,437</u></u>	<u><u>763,800</u></u>

13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role of Chief Executive Officer under their contract of employment, and not in respect of their services as a Trustee. Other Trustees did not receive any payments, other than expenses, 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 £100,000 and £105,000 (2020: between £100,000 and £105,000), employer's pension contributions between £20,000 and £25,000 (2020: between £20,000 and £25,000).

Other related party transactions involving the Trustees are set out in note 30.

During the year ended 31 August 2021, expenses totalling £450 were reimbursed or paid directly to 4 Trustees (2020: £1,162 to 3 Trustee).

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 2021 was £841 (2020: £853). The cost of this insurance is included in the total insurance cost.

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15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST					
At 1 September 2020	17,846,330	20,481,613	519,961	1,124,599	39,972,503
Additions	66,211	535,779	54,711	267,745	924,446
Disposals	-	-	-	(58,740)	(58,740)
At 31 August 2021	<u>17,912,541</u>	<u>21,017,392</u>	<u>574,672</u>	<u>1,333,604</u>	<u>40,838,209</u>
DEPRECIATION					
At 1 September 2020	1,095,016	4,483,401	325,043	871,997	6,775,457
Charge for the year	330,848	598,990	65,351	135,813	1,131,002
On disposals	-	-	-	(58,740)	(58,740)
At 31 August 2021	<u>1,425,864</u>	<u>5,082,391</u>	<u>390,394</u>	<u>949,070</u>	<u>7,847,719</u>
NET BOOK VALUE					
At 31 August 2021	<u><u>16,486,677</u></u>	<u><u>15,935,001</u></u>	<u><u>184,278</u></u>	<u><u>384,534</u></u>	<u><u>32,990,490</u></u>
At 31 August 2020	<u><u>16,751,314</u></u>	<u><u>15,998,212</u></u>	<u><u>194,918</u></u>	<u><u>252,602</u></u>	<u><u>33,197,046</u></u>

Included in freehold property is land amounting to £2,335,518 which is not depreciated.

16. STOCKS

	2021 £	2020 £
Stock of goods	<u><u>3,811</u></u>	<u><u>7,770</u></u>

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17. DEBTORS

	2021	2020
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	48,064	26,672
Prepayments and accrued income	518,736	549,079
VAT recoverable	125,304	125,148
	<u>692,104</u>	<u>700,899</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	358,456	368,974
Other taxation and social security	554,773	529,869
Other creditors	48,338	37,608
Accruals and deferred income	334,123	675,900
	<u>1,295,690</u>	<u>1,612,351</u>

	2021	2020
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2020	200,796	79,147
Resources deferred during the year	70,152	200,796
Amounts released from previous periods	(200,796)	(79,147)
Deferred income at 31 August 2021	<u>70,152</u>	<u>200,796</u>

At the Balance Sheet date the Trust was holding funds received in advance for Universal Infant Free School Meals (£22,327) and rates relief (£47,826).

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19. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	368,251	297,738	(231,297)	-	-	434,692
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	511,467	15,842,203	(15,163,098)	(254,589)	-	935,983
Pupil Premium	86,701	810,496	(782,085)	-	-	115,112
PE and Sports Grant	18,709	49,390	(53,511)	-	-	14,588
Teachers' Pension grant	-	601,261	(601,261)	-	-	-
Other government grants	25,171	612,955	(628,529)	-	-	9,597
General	10,587	161,710	(145,700)	-	-	26,597
School trips	649	5,252	(3,927)	-	-	1,974
High Needs	-	727,664	(727,664)	-	-	-
COVID Catch-Up Premium	-	237,520	(192,640)	-	-	44,880
Other COVID funding	-	113,090	(113,090)	-	-	-
Pension reserve	(7,485,000)	-	(845,000)	-	(2,141,000)	(10,471,000)
	(6,831,716)	19,161,541	(19,256,505)	(254,589)	(2,141,000)	(9,322,269)

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FOR THE YEAR ENDED 31 AUGUST 2021**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on joining the Trust	28,941,629	-	(805,181)	-	-	28,136,448
Fixed assets purchased from GAG and other restricted grants	376,984	65,457	(148,471)	254,589	-	548,559
Devolved Formula Capital/ SCA	1,883,844	777,008	(76,265)	-	-	2,584,587
Local Authority funding	1,255,297	55,654	(34,210)	-	-	1,276,741
Condition Improvement Fund	2,045,538	-	(65,665)	-	-	1,979,873
Purchased from unrestricted funds	1,304	-	(1,210)	-	-	94
	<u>34,504,596</u>	<u>898,119</u>	<u>(1,131,002)</u>	<u>254,589</u>	<u>-</u>	<u>34,526,302</u>
TOTAL RESTRICTED FUNDS	<u>27,672,880</u>	<u>20,059,660</u>	<u>(20,387,507)</u>	<u>-</u>	<u>(2,141,000)</u>	<u>25,204,033</u>
TOTAL FUNDS	<u><u>28,041,131</u></u>	<u><u>20,357,398</u></u>	<u><u>(20,618,804)</u></u>	<u><u>-</u></u>	<u><u>(2,141,000)</u></u>	<u><u>25,638,725</u></u>

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

Restricted Funds

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

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.

Other Government grants - this represents other funding received from the ESFA and Local Authority that

**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

has not been split out into separate funds.

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.

School trips - this represents funding used for school trips for pupils.

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

COVID Catch-Up Premium - this represents funding received from the ESFA to support pupils to catch up on missed learning caused by COVID-19.

Other COVID funding - this represents other COVID funding received from the Government.

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 represents the buildings and equipment donated to the Trust from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG and restricted funds - this represents assets purchased from the Trust's restricted revenue reserves.

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

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

Condition Improvement Fund - this represents funding from the ESFA to fund specific capital projects.

Fixed assets purchased from other restricted grants- this represents fixed assets purchased from other restricted grants.

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 2021.

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19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds - all funds	424,932	383,284	(436,644)	(3,321)	-	368,251
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	441,606	15,168,911	(14,892,604)	(206,446)	-	511,467
Pupil Premium	47,554	876,741	(837,594)	-	-	86,701
PE and Sports Grant	13,158	50,420	(44,869)	-	-	18,709
Other government grants	21,156	1,063,123	(1,063,073)	3,965	-	25,171
General	13,597	202,365	(216,716)	11,341	-	10,587
School trips	(1,870)	10,069	(10,871)	3,321	-	649
High Needs	-	712,159	(712,159)	-	-	-
Pension reserve	(6,287,000)	-	(847,000)	-	(351,000)	(7,485,000)
	<u>(5,751,799)</u>	<u>18,083,788</u>	<u>(18,624,886)</u>	<u>(187,819)</u>	<u>(351,000)</u>	<u>(6,831,716)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on joining the Trust	29,748,478	-	(806,849)	-	-	28,941,629
Fixed assets purchased from GAG and other restricted grants	310,594	920	(125,670)	191,140	-	376,984
Devolved Formula Capital/ SCA	1,386,578	554,624	(57,358)	-	-	1,883,844
Local Authority funding	783,831	503,000	(31,534)	-	-	1,255,297
Condition Improvement Fund	2,113,575	(2,431)	(65,606)	-	-	2,045,538
Purchased from unrestricted funds	3,631	-	(2,327)	-	-	1,304
	<u>34,346,687</u>	<u>1,056,113</u>	<u>(1,089,344)</u>	<u>191,140</u>	<u>-</u>	<u>34,504,596</u>
TOTAL RESTRICTED FUNDS	<u>28,594,888</u>	<u>19,139,901</u>	<u>(19,714,230)</u>	<u>3,321</u>	<u>(351,000)</u>	<u>27,672,880</u>
TOTAL FUNDS	<u><u>29,019,820</u></u>	<u><u>19,523,185</u></u>	<u><u>(20,150,874)</u></u>	<u><u>-</u></u>	<u><u>(351,000)</u></u>	<u><u>28,041,131</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Dobwalls Community Primary School	104,774	30,607
Landulph School	90,312	63,861
Liskeard School & Community College	198,129	11,388
Looe Community Academy	286,304	205,750
Saltash Community School	804,291	586,248
Trewidland Primary School	774	16,108
Central Business Unit	98,839	107,573
Total before fixed asset funds and pension reserve	1,583,423	1,021,535
Restricted fixed asset fund	34,526,302	34,504,596
Pension reserve	(10,471,000)	(7,485,000)
TOTAL	25,638,725	28,041,131

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 2021 £
Dobwalls Community Primary School	546,384	78,341	150,555	100,865	876,145
Landulph School	287,349	32,507	50,478	43,875	414,209
Liskeard School & Community College	4,670,673	683,803	511,441	592,706	6,458,623
Looe Community Academy	1,972,639	411,581	291,860	204,271	2,880,351
Saltash Community School	4,855,700	598,564	894,972	611,926	6,961,162
Trewidland Primary School	145,304	23,106	40,909	43,105	252,424
Central Business Unit	190,085	288,234	142,549	179,020	799,888
ACADEMY TRUST	12,668,134	2,116,136	2,082,764	1,775,768	18,642,802

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19. STATEMENT OF FUNDS (CONTINUED)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Dobwalls Community Primary School	587,116	76,919	93,486	90,289	847,810
Landulph School	270,801	29,501	47,978	32,563	380,843
Liskeard School & Community College	4,588,906	672,680	556,050	550,252	6,367,888
Looe Community Academy	1,878,202	391,654	255,529	189,055	2,714,440
Saltash Community School	4,857,317	607,827	902,877	590,045	6,958,066
Trewidland Primary School	143,646	23,390	17,546	38,457	223,039
Central Business Unit	214,471	282,228	169,801	55,944	722,444
ACADEMY TRUST	12,540,459	2,084,199	2,043,267	1,546,605	18,214,530

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	32,990,490	32,990,490
Current assets	434,692	2,328,661	1,651,572	4,414,925
Creditors due within one year	-	(1,179,930)	(115,760)	(1,295,690)
Provisions for liabilities and charges	-	(10,471,000)	-	(10,471,000)
TOTAL	<u>434,692</u>	<u>(9,322,269)</u>	<u>34,526,302</u>	<u>25,638,725</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	33,197,046	33,197,046
Current assets	368,251	2,154,408	1,418,777	3,941,436
Creditors due within one year	-	(1,501,124)	(111,227)	(1,612,351)
Provisions for liabilities and charges	-	(7,485,000)	-	(7,485,000)
TOTAL	<u>368,251</u>	<u>(6,831,716)</u>	<u>34,504,596</u>	<u>28,041,131</u>

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21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(261,406)	(627,689)
ADJUSTMENTS FOR:		
Depreciation charges	1,131,002	1,089,345
Capital grants from DfE and other capital income	(832,662)	(1,056,113)
Interest receivable	(396)	(1,263)
Defined benefit pension scheme cost less contributions payable	712,000	727,000
Defined benefit pension scheme finance cost	133,000	120,000
(Increase)/decrease in stocks	3,959	(924)
(Increase)/decrease in debtors	23,158	347,492
(Decrease)/increase in creditors	(432,193)	85,741
NET CASH PROVIDED BY OPERATING ACTIVITIES	476,462	683,589

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	396	1,263
Purchase of tangible fixed assets	(808,686)	(991,819)
Capital grants from DfE and other capital income	818,071	1,056,113
NET CASH PROVIDED BY INVESTING ACTIVITIES	9,781	65,557

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	3,719,010	3,232,767

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24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	3,232,767	486,243	3,719,010
	<u>3,232,767</u>	<u>486,243</u>	<u>3,719,010</u>

25. CAPITAL COMMITMENTS

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>83,059</u>	<u>252,708</u>

26. PENSION COMMITMENTS

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

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

Contributions amounting to £212,038 were payable to the schemes at 31 August 2021 (2020 - £204,463) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

26. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,786,007 (2020 - £1,790,972).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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 2021 was £910,000 (2020 - £856,000), of which employer's contributions totalled £720,000 (2020 - £678,000) and employees' contributions totalled £190,000 (2020 - £178,000). The agreed contribution rates for future years are 15.4 per cent for employers and 5.5-12.5 per cent for employees.

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	2.9	2.20
Rate of increase for pensions in payment/ inflation	2.9	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
	Years	Years
Retiring today		
Males	21.5	21.4
Females	24.1	23.6
Retiring in 20 years		
Males	22.8	22.3
Females	25.8	25.1

SHARE OF SCHEME ASSETS

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

	2021	2020
	£	£
Equities	7,717,000	6,183,000
Gilts	4,657,000	3,975,000
Property	798,000	662,000
Cash and other liquid assets	133,000	221,000
Total market value of assets	13,305,000	11,041,000

The actual return on scheme assets was £1,589,000 (2020 - £(1,022,000)).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£	£
Current service cost	(1,432,000)	(1,405,000)
Interest income	193,000	212,000
Interest cost	(326,000)	(332,000)
Total amount recognised in the Statement of Financial Activities	(1,565,000)	(1,525,000)

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26. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
At 1 September	18,526,000	17,708,000
Current service cost	1,432,000	1,405,000
Interest cost	326,000	332,000
Employee contributions	190,000	178,000
Actuarial losses/ (gains)	3,537,000	(883,000)
Benefits paid	(235,000)	(214,000)
At 31 August	23,776,000	18,526,000

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

	2021 £	2020 £
At 1 September	11,041,000	11,421,000
Interest income	193,000	212,000
Actuarial gains	1,396,000	(1,234,000)
Employer contributions	720,000	678,000
Employee contributions	190,000	178,000
Benefits paid	(235,000)	(214,000)
At 31 August	13,305,000	11,041,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Not later than 1 year	48,499	33,635
Later than 1 year and not later than 5 years	46,962	50,797
	95,461	84,432

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**NOTES TO THE FINANCIAL STATEMENTS
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28. 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.

29. 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.

30. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 13.

31. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Trust received £34,952 (2020: £34,952) and disbursed £24,206 (2020: £24,206) from the fund. An amount of £10,746 (2020: £10,746) is included in other creditors relating to undistributed funds that is repayable to ESFA.