

TRURO & PENWITH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

Company Registration No. 08880841 England and Wales

TRURO & PENWITH ACADEMY TRUST

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TRURO & PENWITH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs ME Winser MBE, MA(Cantab), DL (Chair)
Dr J Blunden BSc(Hons), PhD, PGCE (Accounting Officer from 1 September 2015)
Mr D Allison MA (Oxon) (Appointed 1 August 2016)
Mr R Crossland (Representative of Truro and Penwith College (Corporate Trustee))
Mrs SJ Dickinson BA(Hons), FCA
Mrs A Firth BA (Appointed 1 January 2016)
Prof. AG Livingston CBE, FCSD (Vice Chair)
Mr MF Osterfield (Resigned 6 September 2016)
Mr RJ Penlerick (Resigned 16 May 2016)
Mrs S Roby BSc(Hons), PgDipSurv, MRICS
Mr DAJ Walrond MA, MBA, PGCE
Mr D Williams JP, MA (Appointed 1 January 2016)
Mr PJ Wroe ACMA

Members

Mr DAJ Walrond MA, MBA, PGCE
Mrs SJ Dickinson BA(Hons), FCA
Mr R Crossland Truro and Penwith College (Corporate Member)
Mrs ME Winser MBE, MA(Cantab), DL

Senior management team

- Accounting and Chief Executive Officer Dr J Blunden BSc(Hons), PhD, PGCE (1 September 2015 onwards)
- Finance Director Mrs SJ Dickinson BA(Hons), FCA

Company secretary

Mrs AJ Winter BSc (Hons)

Company registration number

08880841 (England and Wales)

Principal address

Finance Dept
College Road
TRURO
TR1 3XX

Registered office

Finance Dept
College Road
TRURO
TR1 3XX

TRURO & PENWITH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Pendeen School

Location

Pendeen

Principal

Mr A Craig (to 31 May 2016)
Mr R Larter BA, Cert Ed FPSC
& Mr C Wilson (from 1 June
2016 to 31 August 2016)

St Ives School

St Ives

Ms J Woodhouse BSc(Hons),
PGCE, NPQH

St Dennis Primary Academy

St Dennis

Miss J Harvey BA, BEd(Hons)

St Just Primary School

St Just

Mrs J Larter BA, Cert Ed,
NPQH

Kehelland Village School

Kehelland

Mr G Smith BA(Hons), PGCE,
NPQH

Mithian School

Mithian

Mrs L Garbett BEd(Hons),
NPQH

Blackwater Community Primary School

Blackwater

Mr C Wilson BSc, PGCE

Perranporth Community Primary School

Perranporth

Mr A Johnson BA(Hons),
NPQH

Chacewater Community Primary School

Chacewater

Mr C Gould BA(Hons), NPQH

Threemilestone School

Threemilestone

Mrs M Dickens BA(Hons),
PGCE

Roche Community Primary School

Roche

Mr J Walden BA(Hons)

St Erth Community Primary School

St Erth

Mrs N Rogers BEd(Hons),
NPQH

Nancludra Primary School

Nancludra

Mr R Gill BA(Hons), PGCE,
NPQH

Independent auditor

Robinson Reed Layton
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Bankers

Lloyds Bank
7 Boscawen Street
TRURO
Cornwall
TR1 2QT

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
EXETER
Devon
EX2 5WR

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 12 primary schools and 1 secondary school in Cornwall. These schools have a combined pupil capacity of 2,712 and had a roll of 2,520 in the school census on 21 January 2016. The Trust has grown during this period from 3 to 13 schools, welcoming 10 convertor schools bringing extensive skills and capacity to the Trust. This skill set aids the embedding of school improvement together with an increase in central support capacity.

Structure, governance and management

Constitution

The 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 Trust.

The Trustees of Truro & Penwith Academy Trust are also the Directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Trustees will benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, 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 Trustees of the Trust. The limit of the indemnity is £10,000,000.

Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees as set out in its articles of association: -

- at least 7 Trustees appointed by Truro and Penwith College;
- up to two Local Governing Body Trustees appointed by the Trustees;
- the Chief Executive Officer;
- a minimum of 2 Parent Trustees (unless there are Local Governing Bodies which include at least two Parent members);
- The Trust may also have any co-opted Trustee appointed by the Trustees. (A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Trust would exceed one third of the total number of Trustees including the Chief Executive Officer)

The term of office for any Trustee shall be four years except that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

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

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Trustees.

Organisational structure

The Trust is comprised of and governed by: -

The Members who guarantee the liabilities of the Trust and review its strategic direction.

The Board of Trustees who are responsible for, and oversee, the management and administration of the Trust and the schools run by the Trust. The Board normally meets once each term. The Board establishes an overall framework for the governance of the Trust and determines responsibilities, terms of reference and procedures for its sub-committees. It receives reports including policies from sub-committees for ratification. It monitors the activities of the committees through the minutes of their meetings.

There are two main sub-committees which meet termly 1) Finance, Employment and Audit, and 2) Curriculum and Standards.

The Remuneration Committee meets once a year to establish a pay policy which sets out clearly the basis on which decisions about pay progression for the Headteachers, senior employees and leaders in the Trust will be determined.

Local Governing Bodies are in place for each school within the Trust who are responsible for, subject to the provisions of the Scheme of Delegation, the day-to-day management and administration of each respective school.

A Scheme of Delegation has been approved detailing the relative responsibilities of the Board of Trustees, its sub-committees and Local Governing Bodies. The Scheme of Delegation provides clarity to Local Governing Bodies on the extent of their rights, responsibilities, authority and powers and provides the framework within which they interact and work with the other governance aspects of the Trust.

The Trustees have devolved responsibility for the day to day management of the Trust to the Chief Executive, Finance Director and Local Governing Bodies.

The Chief Executive is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trust has established a Remuneration Committee which meets once a year and comprises the Vice Chair of the Board of Directors, the Chair of the Finance Employment and Audit Committee and the Chair of the Curriculum and Standards Committee. The key responsibility of this committee is: -

To establish a pay policy which sets out clearly the basis on which decisions about pay progression for the Headteachers, senior employees and leaders in the Trust will be determined, including:

- Considering and determining the annual performance-related pay progression increases and other terms and conditions of the Headteachers, taking account of budgetary implications.
- Considering and determining the annual pay and other terms and conditions of the senior employees and leaders in the Trust, taking account of budgetary implications.
- Establishing procedures for determining appeals against pay determinations.
- Keeping the pay policy under regular review.
- Dealing with any other matters referred to the Committee by the Board of Directors relating to the remuneration, terms and conditions of the Headteachers, senior employees and leaders.

All the Trustees give their time freely.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Related parties and other connected charities and organisations

Truro and Penwith Academy Trust is sponsored by Truro and Penwith College. The role of the sponsor is to share its educational experience, develop the educational vision for the Trust and support and assist the Trust and its schools.

Truro and Penwith College is a designated Teaching School which provides, but not exclusively, improvement services and training to the Trust.

Related party transactions are detailed in Note 21 to the accounts.

Objectives and activities

Objects and aims

The principal object of the Trust 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 appropriate to the needs of its pupils and students.

The principal aim of the Trust is:

- to improve teaching and learning for all, to enable all children and young people to have the best possible learning experience, leading to the highest levels of achievement.

Objectives, strategies and activities

The Trust pursues fulfilment of its vision and mission by focusing on core strategic objectives measured consistently and annually against a set of core data baselines. These objectives are:

- Expect outstanding academic achievement and success.
- Set aspirational targets for all.
- Every aspect of school life engages & inspires our children.
- Consistently outstanding leadership with high expectations & rigorous challenge.

These strategic objectives will be achieved through effective leadership across the Trust through the following:

- Trust development plan monitored and reported to Curriculum and Standards Sub Committee.
- Headteachers Group for geographic hub leaders and Headteachers with school clusters where the leaders in each school come together to share performance data, report on development objectives, discuss issues, plan strategies.
- Specialist Lead Schools where leaders and teachers across the schools build key relationships and contacts to enhance their support and peer network.
- Local Governing Body (LGB) Chairs Forum where the chairs of each LGB meet together once a term to discuss a range of issues.
- LGB Clerks Forum where the clerks to each LGB meet together once a term to discuss a range of issues.

The key priorities for 2016/17 are:

- Securing leadership through the new Hub and Specialist Lead School model
- To develop the secondary phase improvement model
- Focus on improving attainment and progress in Mathematics
- Focus on improving attainment and progress in English in Primary
- To support disadvantaged students to achieve
- To support the more able students to achieve
- To continue to develop the effectiveness of Local Governing Bodies
- to manage within allocated resources

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties.

Strategic report

Achievements and performance

The improvement priorities for schools within the Trust for the period were:

All schools

- Improve attainment and progress in mathematics
- Improve attainment and progress of students eligible for pupil premium funding
- Improve attainment of boys
- Improve attendance to 95% and in particular reduce persistent absence
- Improve the effectiveness of school governors

Plus, in primary schools

- Focus on Writing and Spelling, Punctuation and Grammar to improve attainment
- Focus on Early Year Foundation Stage to improve the proportion of pupils with a good level of development
- Assessment and tracking targets in new curriculum

The tables following provide a summary of the summative attainment and progress data for schools within the Trust to 31 August 2016. It is noted that 10 schools joined the Trust at six points during the period, (dates in note 23).

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Primary Performance Table

School	P A N	% Attend ance NA 96	EYFS GLD NA 69%	KS1 Attainment (% ExpS) Reading, Writing, Maths LA 59%	KS2 Attainment (% ExpS)				KS2 (% ExpS) Reading, Writing & Maths NA 53	KS2 Progress Score (0=NA)		
					Reading ExpS NA 66	Writing ExpS NA 74	Maths ExpS NA 70	GPS ExpS NA 72		Reading Floor standard -5	Writing Floor standard -7	Maths Floor standard -5
Pendeen School (s)	17	95.2	67	16	69	54	54	69	39	4.6	-0.7	1.7
St Dennis Academy (s)	30	96.3	68	67	76	80	80	60	76	2.3	0.4	1.5
Mithian School	15	96.2	53	62	79	77	29	71	21	2	0.1	-5.2
Blackwater School	15	95.1	59	64	75	81	75	75	63	2.7	2.7	-0.9
St Just School	30	94.3	59	50	56	84	84	78	56	0.7	4.7	2.0
Perranporth School	30	95.6	75	69	53	81	56	59	41	-3.1	1.3	-2.6
Chacewater School	25	96.0	84	60	90	90	90	95	85	3.5	1.9	3.8
Threemilestone School	60	94.6	63	62	65	72	61	77	53	-0.3	-0.7	-1.9
Kehelland School	13	89.5	75	46	100	100	100	100	100	4.4	3.8	0.5
Nanchedra School	15	95.1	88	83	93	100	100	100	93	4.8	5.3	5.6
St Erth School	15	95.1	75	64	62	69	62	69	54	1.2	1.6	0.8
Roche School	30	95.4	21	33	59	48	59	59	33	-1.7	-4.4	-3.7
All Primary	25	95.0	64	58	60	77	60	74	57	0.93	0.94	0.28
Key: (s) sponsored (NA X) national average (Disadv) Disadvantaged (ExpS) Expected Standard (PAN) Published Admissions Number (EYFS) Early Years Foundation Stage (GLD) Good Level of Development (GPS) Grammar, Punctuation and Spelling (LA) Local Authority												
School		>5% Below National Average		Within 5% National Average		>5% Above National Average						

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Primary Phase Summary

Overall primary school performance has been improving, with sponsored academies demonstrating accelerated progress to improve with the majority of Progress Scores in key measures at end of Key Stage 2 to be above Zero. The Published Admissions Number indicates the relative size of cohorts in each school, and performance data analysis needs to take account given the small numbers involved in some cases. The weighted Trust-wide performance at Key Stage 1 and 2 demonstrates that the Trust schools on average are performing at or above the national average. It is the expectation of the Trustees to monitor the Trust-wide performance to ensure the Trust schools are striving to provide significantly above average outcomes for all learners across all schools.

Areas for continued improvement across the Trust include mathematics, narrowing the gap between disadvantaged pupils and others, improving the attainment and progress of the more able pupils and a continued focus to improve attendance to be above the national expectations.

School improvement activity is focusing on close collaboration with the Cornwall and West Devon Maths Hub activities through the specialist lead school, Chacewater School for supporting and monitoring improvement in mathematics. The focus on the outcomes for all pupils with particular scrutiny of pupil premium funded pupils is led by the Headteacher at Blackwater School and the aim is to close any attainment gaps evident between pupil premium funded and non-pupil premium funded pupils. The Hub Leaders are monitoring the activity to support greater challenge and support for more able pupils across the Trust and supporting schools to develop consistent and effective behaviour management strategies to improve attendance in all schools.

Secondary Performance Table

St Ives School (s)	% Attendance	No. in cohort	% 5+A*-C GCSE (inc Eng and Math) NA 57	% expected progress in English - ALL NA 71	% expected progress in English - Disadv NA 61	% expected progress in maths ALL NA 66	% expected progress in maths - Disadv NA 51	% achieved all components of EBacc NA 25	Best 8 Attainment NA 50	Best 8 Progress NA -0.03
2015	-	121	65.3	75.6	55.6	69.75	52	11.6	50.54	0.15
2016	94	148	70.3	91	86.5	72.3	56.8	15.5	52.77	0.32
Variation +/-		27	5	15.4	30.9	2.55	4.8	3.9	2.23	0.17

Key: (s) sponsored (NA X) national average (Disadv) Disadvantaged / Pupil Premium Funded (EBacc) English Baccalaureate

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Secondary Phase Summary

Overall in 2016 the school has improved performance on 2015 data across all areas and is evidence of the strong leadership and management throughout the school and the relentless focus on high quality teaching, learning and assessment. Significant progress has been made in improving outcomes for students with Special Educational Needs or Disabilities and for pupils with Pupil Premium funding, especially in rapidly closing the gap in English. Achievement across a wide range of subjects was very strong including French and Spanish, English Literature, History, Textiles, Art, Graphics, Computer Science, Food Technology, Media Studies, Further Maths. Achievement in Core and Additional Science is significantly better than in 2015. Achievement in Separate Sciences is also very strong.

Areas for continued improvement include the most able disadvantaged students, who do not yet make progress significantly above national averages. Challenging targets have been set for 2016/2017 to achieve outcomes for students significantly above national average, in particular in Geography, Drama and Resistant Materials and to continue an unwavering focus to improve attendance.

Summary

Performance in mathematics improved at St Ives School at the end of Key Stage 4, particularly with students with special educational needs or disabilities (+31%) and overall performance in primary schools is in line with the Key Stage 2 national average, although there is variable attainment across the schools, attributed in part to the new maths curriculum. Mathematics continues to be a focus for improvement. The overall performance of pupils eligible for Pupil Premium funding improved and in some schools outperformed 'other' pupils (e.g. St Dennis Academy and Blackwater School for combined Key Stage 2 attainment). St Ives School significantly narrowed gaps in attainment in English, achievement of 5 A*-C GCSE and with attainment of boys. The majority of schools exceeded the Trust target in attendance and are in line with national expectations. All governing bodies participated in training and development co-ordinated through the Teaching School team. Headteachers collaborated in an Assessment Group to agree a Trust-wide Assessment Policy.

Overall school performance has been improving, with sponsored academies demonstrating accelerated progress to improve. Areas for continued improvement include mathematics, narrowing the gap between disadvantaged pupils and others and continued focus to improve attendance.

Going concern

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

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

The academy's accounting period is the year to 31 August 2016.

The majority of the Trust's income is derived from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2016, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The financial position is increasingly pressured as a result of changes in both local and national funding together with increasing costs relating to pay, national insurance and pension contributions. This has resulted in a number of the Trust's schools using reserves to meet operational costs which is not sustainable in the long term. The schools are making budget reductions to match funding levels, however this is challenging as a large proportion of costs are staff related.

The academy also receives grants for fixed assets from the EFA. Such grants are shown in the statement of financial activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund will be reduced by annual depreciation charges over the useful life of the assets concerned.

The academy's results show surpluses/ (deficits) before unrealised defined benefit pension scheme gains and losses and transfers of:

Restricted £10,641,077 Unrestricted £1,531,160

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held for reinvestment in individual schools, for specific capital projects, curriculum investment and to mitigate the impact of reductions to funding.

The Trustees consider the financial period end position of £19,181,790 (2015: £8,940,553) comprising £21,935,660 (2015: £9,420,718) of restricted fixed asset funds, £(4,221,000) (2015: £(824,000)) of restricted funds and £1,467,130 (2015: £343,835) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(4,221,000) (2015: £(824,000)) and general restricted funds of £Nil (2015: £Nil).

The level of free reserves held by the academy are £1,467,130 (2015: £343,835).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The Trust has entered into an agreement with the LGPS Trustees to make additional annual contributions of £62,300 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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

Investment policy and powers

The cash balances held by the Trust are invested in interest earning bank accounts.

Principal risks and uncertainties

The principal risks facing the Trust are:

- the financial impact of future changes to funding levels from the DfE;
- a decrease in pupil numbers; and
- failure to meet academic targets.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Mitigating actions have been identified to address these risks.

However, managing the impact of funding changes together with cost increases is challenging as a large proportion of school costs are staff related.

Financial and risk management objectives and policies

The financial risk register is set out in the Trust's financial procedures. These procedures examine the key risks and proposed actions to mitigate the impact of these risks.

Plans for future periods

It is expected that Kennall Vale School will join the Trust on 1st January 2017. The Trust is also in discussion with a number of other schools about joining the Trust. The Trust is aiming to develop a cross-phase hub model broadly associated with the centres of operation of Truro and Penwith College.

Funds held as Custodian Trustee on behalf of others

The Trust 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.

A resolution proposing that Robinson Reed Layton be reappointed as auditor of the charitable company will be put to the Members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 06 December 2016 and signed on its behalf by:

Mrs ME Winser MBE, MA(Cantab), DL

Chair

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Truro & Penwith Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met three times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs ME Winser (Chair)	3	3
Dr J Blunden (Accounting Officer from 1 September 2015)	3	3
Mr D Allison (Appointed 1 August 2015)	0	0
Mr R Crossland	3	3
Mrs SJ Dickinson	3	3
Mrs A Firth (Appointed 1 January 2016)	2	2
Prof. AG Livingston (Vice Chair)	3	3
Mr MF Osterfield (Resigned 6 September 2016)	1	3
Mr RJ Penlerick (Resigned 16 May 2016)	2	2
Mrs S Roby	3	3
Mr DAJ Walrond	1	3
Mr D Williams (Appointed 1 January 2016)	2	2
Mr PJ Wroe	3	3

The Board of Trustees increased their numbers during 2015/16 following a review of skills which identified the need to develop skills in primary and secondary school leadership and legal expertise. The Board undertook an open recruitment process for new Trustees which involved advertisement and interview selection. As result three new Trustees joined during the period.

The Board is completing an evaluation of its effectiveness in the autumn of 2016/17 and is actively looking to recruit a further Trustee with primary expertise.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Finance, Employment and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is:

- To consider and advise the Board on all aspects of the Trust's finances, financial policies, controls and strategy
- To monitor and advise the Board on all aspects of the Trust's personnel strategy, including recruitment policies, health and safety, the promotion of equality and diversity, and staff development activities
- To advise the Board on the adequacy and effectiveness of the Trust's internal control systems, and its arrangements for risk management, control, governance processes and value for money.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr PJ Wroe (Chair)	3	3
Mrs ME Winser	2	3
Dr J Blunden (Accounting Officer from 1 September 2015)	3	3
Mr D Allison (Appointed 1 August 2015)	0	0
Mrs SJ Dickinson	3	3
Prof. AG Livingston	2	3
Mr RJ Penlerick (Resigned 16 May 2016)	2	2
Mr D Williams (Appointed 1 January 2016)	0	2

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Curriculum and Standards Committee is a sub-committee of the main Board of Trustees. Its purpose is:

- To consider and advise the Board of Directors on the educational character and mission of the Trust and to monitor its activities.
- To consider and approve the Academy Development Plan and/or Curriculum Plan for each Academy.
- To review and monitor the standards and progress of each Academy against the Academy Development Plans and/or Curriculum Plan.
- To monitor pupil enrolments and achievements and other information relating to the experience of pupils in comparison with national data, relevant benchmarking and related action plans.
- To receive and consider Academy inspection reports and other external reviews and reports.
- To approve admissions policies to be implemented by each Academy.
- To approve pupil behaviour policies including arrangements for exclusions to be implemented by each Academy.
- To approve safeguarding policies to be implemented by each Academy.
- To deal with such other curriculum or learning matters as may from time to time be referred to the Committee for consideration or approval.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr R Crossland (Chair)	3	3
Mrs ME Winser	3	3
Dr J Blunden (Accounting Officer from 1 September 2015)	3	3
Mrs A Firth (Appointed 1 January 2016)	1	2
Mr MF Osterfield (Resigned 6 September 2016)	1	3
Mrs S Roby	2	3
Mr DAJ Walrond	2	3

Review of value for money

As Accounting Officer the Chief Executive has responsibility for ensuring that the 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 available. The Accounting Officer for the Trust has delivered improved value for money during the year as follows:

- New contract for cleaning at St Dennis Academy awarded following a competitive tendering process
- Use of CPC framework for purchase of additional insurance not covered by the Risk Protection Arrangement
- New contract awarded for the provision of meals at St Ives School awarded following a competitive tendering process
- Capital projects funded by Condition Improvement Fund awarded through competitive tendering processes.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Improving Educational Results

The Trust's first two schools – St Ives School (secondary) and Pendeen School (primary) - joined as sponsored academies on 1 April 2014, and a third – St Dennis Primary Academy joined as a sponsored academy on 1 September 2014. All three are sponsored schools and improvement plans have therefore been put in place and resources directed to support these, and to support the principal aim of improving teaching and learning for all.

The Trust has ensured that resources are directed where they are most needed and most effective in meeting educational outcomes. This is demonstrated, for example, by a significant upward trend in GCSE results at St Ives School with 70.3% of students gaining 5 A*-C passes including English and Maths, an improvement of 5% from 2015 results. St Ives is now rated as one of the top five performing schools in Cornwall.

St Dennis Academy has shown accelerated progress and significant improvement, achieving 76% success in combined Reading, Writing and Maths at Key Stage (KS)2, well above national average of 53%.

Pendeen School continues to improve with Reading KS2 attainment above National average and progress scores in reading, writing and maths above floor targets, demonstrating accelerated progress especially in reading.

All schools within the Trust carefully monitor Pupil Premium expenditure and its impact on improving attainment for students on Free School Meals, Children from Service Families and Looked-After Children. Use of the grant is published annually on each school's website.

Our schools offer a diverse curriculum so that all our students have the opportunity to raise their individual levels of attainment.

Financial Governance and Oversight

Financial governance and oversight is strong. The Finance Director and the Business Manager are qualified accountants and there are two accountants on the Finance, Employment and Audit Committee. Financial assurance is further informed by termly reports from the internal auditors.

The Board of Directors approve the budget following detailed scrutiny by the Finance, Employment and Audit Committee.

The Finance, Employment and Audit Committee meet termly, where the management accounts and budget monitoring report are reviewed and discussed. In addition, the Committee considers and approves larger expenditure items in accordance with the Trust's Scheme of Delegated Authority, and ensures compliance with the Trust's tender arrangements.

The Board of Directors receives and approves the annual financial statements and the external auditor's management letter.

Better Purchasing

The Trust promotes fair competition through quotations and tenders, in accordance with its Financial Procedures Manual, to ensure that goods and services are procured in the most economic and effective way.

The Trust reviews the main service contracts for each of its schools on an annual basis to ensure that they are still fit for purpose, effective and provide best value. This review has prompted the Trust to explore alternative service providers for some of the services previously purchased from the local authority, and to purchase some services (for example legal services) only as and when required, rather than through a service contract. As the Trust grows with additional schools, buying power increases and puts the Trust in a better position to negotiate prices with existing and prospective suppliers.

Headteachers or suitably authorised senior members of staff review and sign all purchase orders on behalf of their school and regularly challenge these for economy and effectiveness.

Maximising Income Generation

The Trust explores every opportunity to generate income and seeks sponsorship and funding opportunities for specific projects.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Truro & Penwith Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Employment and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed TIAA Limited as internal auditor.

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

- Testing of purchases and payment processes
- Management reporting
- Testing bank and control account reconciliations
- Testing income
- Testing payroll processes

On a termly basis, the internal auditor reports to the Board of Trustees through the Finance, Employment and Audit Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

The internal auditor has delivered their schedule of work as planned, and have reported no material issues as arising as a result of the work undertaken.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Finance, Employment and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 06 December 2016 and signed on its behalf by:

Mrs ME Winser MBE, MA(Cantab), DL
Chair

Dr J Blunden BSc(Hons), PhD, PGCE
Accounting Officer from 1 September 2015

TRURO & PENWITH ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Truro & Penwith Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 2015.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

Approved on 06 December 2016 and signed by:

Dr J Blunden BSc(Hons), PhD, PGCE
Accounting Officer

TRURO & PENWITH ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who also act as Governors for Truro & Penwith Academy Trust and are also the Directors of Truro & Penwith Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Trustees on 06 December 2016 and signed on its behalf by:

Mrs ME Winser MBE, MA(Cantab), DL
Chair

TRURO & PENWITH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF TRURO & PENWITH ACADEMY TRUST

We have audited the accounts of Truro & Penwith Academy Trust for the year ended 31 August 2016 set out on pages 24 to 50. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the Trustees, who are also the Directors of Truro & Penwith Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

TRURO & PENWITH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF TRURO & PENWITH ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.

Mark Williams (Senior Statutory Auditor)
for and on behalf of Robinson Reed Layton

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Dated: 9 December 2016

TRURO & PENWITH ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TRURO & PENWITH ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Truro & Penwith Academy Trust during the year ended 31 August 2016 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 Truro & Penwith Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Truro & Penwith Academy Trust and the EFA 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 the Truro & Penwith Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Truro & Penwith Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Truro & Penwith Academy Trust's funding agreement with the Secretary of State for Education dated 26 March 2014 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 ended 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of minutes of all Trustees' meetings;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and Trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

TRURO & PENWITH ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TRURO & PENWITH ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

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

Mark Williams

Reporting Accountant

Robinson Reed Layton

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

Dated: 09 December 2016

TRURO & PENWITH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	3,618	24,082	422,620	450,320	499,628
Donations - transfer from local authority on conversion	23	1,272,287	(1,300,000)	12,347,129	12,319,416	2,048,777
Charitable activities:						
- Funding for educational operations	3	252,345	8,944,027	-	9,196,372	5,270,888
Other trading activities	4	24,627	-	-	24,627	10,262
Investments	5	2,689	-	-	2,689	1,218
Total income and endowments		<u>1,555,566</u>	<u>7,668,109</u>	<u>12,769,749</u>	<u>21,993,424</u>	<u>7,830,773</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	24,406	9,415,938	380,843	9,821,187	5,602,229
Total expenditure	6	<u>24,406</u>	<u>9,415,938</u>	<u>380,843</u>	<u>9,821,187</u>	<u>5,602,229</u>
Net income/(expenditure)		1,531,160	(1,747,829)	12,388,906	12,172,237	2,228,544
Transfers between funds		(407,865)	281,829	126,036	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(1,931,000)	-	(1,931,000)	27,000
Net movement in funds		<u>1,123,295</u>	<u>(3,397,000)</u>	<u>12,514,942</u>	<u>10,241,237</u>	<u>2,255,544</u>
Reconciliation of funds						
Total funds brought forward		343,835	(824,000)	9,420,718	8,940,553	6,685,009
Total funds carried forward		<u>1,467,130</u>	<u>(4,221,000)</u>	<u>21,935,660</u>	<u>19,181,790</u>	<u>8,940,553</u>

TRURO & PENWITH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£	£	£	£
Income and endowments from:					
Donations and capital grants	2	8,645	3,240	487,743	499,628
Donations - transfer from local authority on conversion	23	198,644	(130,000)	1,980,133	2,048,777
Charitable activities:					
- Funding for educational operations	3	123,251	5,147,637	-	5,270,888
Other trading activities	4	10,262	-	-	10,262
Investments	5	1,218	-	-	1,218
Total income and endowments		<u>342,020</u>	<u>5,020,877</u>	<u>2,467,876</u>	<u>7,830,773</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	12,323	5,380,249	209,657	5,602,229
Total expenditure	6	<u>12,323</u>	<u>5,380,249</u>	<u>209,657</u>	<u>5,602,229</u>
Net income/(expenditure)		329,697	(359,372)	2,258,219	2,228,544
Transfers between funds		(89,770)	5,580	84,190	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	27,000	-	27,000
Net movement in funds		<u>239,927</u>	<u>(326,792)</u>	<u>2,342,409</u>	<u>2,255,544</u>
Reconciliation of funds					
Total funds brought forward		103,908	(497,208)	7,078,309	6,685,009
Total funds carried forward		<u>343,835</u>	<u>(824,000)</u>	<u>9,420,718</u>	<u>8,940,553</u>

TRURO & PENWITH ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	11		21,633,480		9,259,206
Current assets					
Debtors	12	1,327,646		323,479	
Cash at bank and in hand		1,372,083		839,812	
		<u>2,699,729</u>		<u>1,163,291</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(930,419)		(657,944)	
Net current assets			<u>1,769,310</u>		<u>505,347</u>
Net assets excluding pension liability			<u>23,402,790</u>		<u>9,764,553</u>
Defined benefit pension liability	17		(4,221,000)		(824,000)
Net assets			<u><u>19,181,790</u></u>		<u><u>8,940,553</u></u>
Funds of the Trust:					
Restricted funds	15				
- Fixed asset funds			21,935,660		9,420,718
- Pension reserve			(4,221,000)		(824,000)
Total restricted funds			<u>17,714,660</u>		<u>8,596,718</u>
Unrestricted income funds	15		<u>1,467,130</u>		<u>343,835</u>
Total funds			<u><u>19,181,790</u></u>		<u><u>8,940,553</u></u>

The accounts set out on pages 24 to 50 were approved by the Board of Trustees and authorised for issue on 06 December 2016 and are signed on its behalf by:

Mrs ME Winser MBE, MA(Cantab), DL
Chair

Company Number 08880841

TRURO & PENWITH ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18	16,817		55,019	
Cash funds transferred on conversion		498,133		198,644	
		<u>514,950</u>		<u>253,663</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		2,689		1,218	
Capital grants from DfE and EFA		402,985		487,743	
Capital funding from sponsors and others		19,635		-	
Payments to acquire tangible fixed assets		(407,988)		(426,199)	
		<u>17,321</u>		<u>62,762</u>	
Change in cash and cash equivalents in the reporting period		532,271		316,425	
Cash and cash equivalents at 1 September 2015		839,812		523,387	
Cash and cash equivalents at 31 August 2016		<u>1,372,083</u>		<u>839,812</u>	

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Truro & Penwith Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

The accounts of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Truro & Penwith Academy Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Truro & Penwith Academy Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

The conversion from state maintained schools to an Trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained schools to the Trust have been valued at their fair value being a reasonable estimate of the current market values that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Truro & Penwith Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

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

1.4 Income

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

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Grants receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the 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.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are exclusive of VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

Termination benefits

Termination benefits are recognised immediately as an expense when the Academy is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.6 Tangible fixed assets and depreciation

Assets costing £500 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land & buildings	2% per annum on cost
Freehold buildings	2% per annum on cost
Computer equipment	33% per annum on cost
Furniture & equipment	20% per annum on cost
Motor vehicles	20% per annum on cost

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Freehold land is not depreciated.

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.

1.7 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.11 Fund accounting

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

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

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

1.12 Critical accounting estimates and areas of judgement

Accounting 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 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 17, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	402,985	402,985	487,743
Other donations	3,618	43,717	47,335	11,885
	<u>3,618</u>	<u>446,702</u>	<u>450,320</u>	<u>499,628</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	7,756,133	7,756,133	4,465,728
Start up grants	-	298,000	298,000	25,000
Other DfE / EFA grants	-	627,063	627,063	476,846
	-	8,681,196	8,681,196	4,967,574
Other government grants				
Local authority grants	-	265,231	265,231	180,063
Other government grants	-	(2,400)	(2,400)	-
	-	262,831	262,831	180,063
Other funds				
Other incoming resources	252,345	-	252,345	123,251
Total funding	252,345	8,944,027	9,196,372	5,270,888

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	13,986	-	13,986	7,685
Other income	10,641	-	10,641	2,577
	24,627	-	24,627	10,262

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	2,689	-	2,689	1,218

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £	Premises costs £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	6,210,856	-	567,712	6,778,568	3,899,979
- Allocated support costs	1,124,759	591,792	1,326,068	3,042,619	1,702,250
	<u>7,335,615</u>	<u>591,792</u>	<u>1,893,780</u>	<u>9,821,187</u>	<u>5,602,229</u>
Total expenditure	<u><u>7,335,615</u></u>	<u><u>591,792</u></u>	<u><u>1,893,780</u></u>	<u><u>9,821,187</u></u>	<u><u>5,602,229</u></u>

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	6,600	3,000
- Other services	7,150	3,550
Operating lease rentals	70,307	94,646
Depreciation of tangible fixed assets	380,843	209,657
	<u><u>364,900</u></u>	<u><u>310,853</u></u>

Central services

The Trust has provided the following central services to or on behalf of its academies during the year:

- finance including central payments system and budget and management accounts preparation;
- insurance;
- payroll and HR services;
- legal services;
- audit and accountancy;
- support from the Trust Chief Executive Officer; and
- school improvement : annual assessment.

The Trust charges for these services on the following basis:

- 3.5% of GAG

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

(Continued)

The amounts charged during the year were as follows:

	Total £
Pendeen School	14,648
St Ives School	111,702
St Dennis Primary Academy	30,812
St Just Primary School	20,051
Kehelland Village School	8,993
Mithian School	16,920
Blackwater Community Primary School	16,506
Perranporth Community Primary School	16,859
Chacewater Community Primary School	6,440
Threemilestone School	16,099
Roche Community Primary School	4,825
St Erth Community Primary School	2,503
Nancladra Primary School	1,192
	<u>267,550</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	24,210	6,754,358	6,778,568	3,899,979
Support costs - educational operations	196	3,042,423	3,042,619	1,702,250
	<u>24,406</u>	<u>9,796,781</u>	<u>9,821,187</u>	<u>5,602,229</u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	1,124,759	665,252
Depreciation and amortisation	380,843	209,657
Technology costs	50,141	12,102
Premises costs	421,455	385,574
Other support costs	1,045,620	416,797
Governance costs	19,801	12,868
	<u>3,042,619</u>	<u>1,702,250</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

	2016 £	2015 £
Wages and salaries	5,632,763	3,064,924
Social security costs	430,395	197,738
Operating costs of defined benefit pension schemes	1,008,812	501,311
	<hr/>	<hr/>
Staff costs	7,071,970	3,763,973
Supply staff costs	144,892	190,821
Staff restructuring costs	65,504	48,570
Staff development and other staff costs	53,249	39,520
	<hr/>	<hr/>
Total staff expenditure	7,335,615	4,042,884

Staff numbers

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

	2016 Number	2015 Number
Teachers	111	52
Administration and support	293	101
Management	33	10
	<hr/>	<hr/>
	437	163

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

Staff restructuring costs totalling £65,504 (2015: £48,570) comprise of redundancy costs of £9,254 (2015: £Nil) and severance payments of £56,250 (2015: £48,570).

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £56,250 (2015: £Nil). Individually, the payments were £9,750, £10,000 and £36,500.

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £110,461 (2015: £44,397). This being the amount recharged by Truro and Penwith College included within total recharges of £188,498 (2015: £149,904) per note 21 "related party transactions". The recharge includes the remuneration of Dr J Blunden, Accounting Officer and Chief Executive Officer, 0.8 full time equivalent, whose remuneration is disclosed in note 9 "Trustees' remuneration and expenses".

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees. 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:

Dr J Blunden (Chief Executive Officer):

- Remuneration £55,000 - £60,000 (2015: £Nil)
- Employer's pension contributions £5,000 - £10,000 (2015: £Nil)

During the year, travel and subsistence payments totalling £2,299 (2015: £425) were reimbursed or paid directly to 5 Trustees (2015: 4 Trustees).

Other related party transactions involving the Trustees are set out within the related parties note.

10 Trustees and officers insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,021 (2015: £2,053).

From 1 April 2016 the Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Leasehold land & buildings	Freehold buildings	Computer equipment	Furniture & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	7,155,196	2,172,647	150,052	49,439	8,000	9,535,334
Transfer on conversion	11,104,463	1,242,666	-	-	-	12,347,129
Additions	90,769	131,455	81,825	103,939	-	407,988
At 31 August 2016	18,350,428	3,546,768	231,877	153,378	8,000	22,290,451
Depreciation						
At 1 September 2015	199,685	27,503	35,088	11,752	2,100	276,128
Charge for the year	255,031	48,412	63,192	12,608	1,600	380,843
At 31 August 2016	454,716	75,915	98,280	24,360	3,700	656,971
Net book value						
At 31 August 2016	17,895,712	3,470,853	133,597	129,018	4,300	21,633,480
At 31 August 2015	6,955,511	2,145,144	114,964	37,687	5,900	9,259,206

The net book value of land and buildings comprises:

	2016 £	2015 £
Long leaseholds (over 50 years)	17,895,712	6,955,511

12 Debtors

	2016 £	2015 £
Trade debtors	16,955	22,027
VAT recoverable	155,259	82,877
Prepayments and accrued income	1,155,432	218,575
	1,327,646	323,479

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	189,234	184,692
Other taxation and social security	173,782	58,589
Other creditors	162,355	56,630
Accruals and deferred income	405,048	358,033
	930,419	657,944

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	162,900	153,718
	<u> </u>	<u> </u>
Deferred income at 1 September 2015	153,718	109,516
Released from previous years	(153,718)	(109,516)
Amounts deferred in the year	162,900	153,718
	<u> </u>	<u> </u>
Deferred income at 31 August 2016	162,900	153,718
	<u> </u>	<u> </u>

Included within deferred income of £162,900 are the following balances; £74,822 in respect of Universal Infant Free School Meals funding ; £27,244 in respect of School Trips; £834 in respect of deposits received on hire of facilities; and £60,000 in respect of Primary Academy Chain Development Grant for service development 2016.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	7,756,133	(8,055,637)	299,504	-
Start up grants	-	298,000	(298,000)	-	-
Other DfE / EFA grants	-	627,063	(627,063)	-	-
Other government grants	-	262,831	(262,831)	-	-
Other restricted funds	-	24,082	(6,407)	(17,675)	-
Funds excluding pensions	-	8,968,109	(9,249,938)	281,829	-
Pension reserve	(824,000)	(1,300,000)	(166,000)	(1,931,000)	(4,221,000)
	(824,000)	7,668,109	(9,415,938)	(1,649,171)	(4,221,000)
Restricted fixed asset funds					
DfE / EFA capital grants	491,177	402,985	(18,829)	-	875,333
Inherited funds	8,820,837	12,347,129	(307,656)	-	20,860,310
Capital expenditure from GAG	108,704	-	(53,844)	126,036	180,896
Big Lottery Grant (Kehelland Village School)	-	9,971	(514)	-	9,457
Big Lottery Grant (St Erth School)	-	9,664	-	-	9,664
	9,420,718	12,769,749	(380,843)	126,036	21,935,660
Total restricted funds	8,596,718	20,437,858	(9,796,781)	(1,523,135)	17,714,660
Unrestricted funds					
General funds	343,835	1,555,566	(24,406)	(407,865)	1,467,130
Total funds	8,940,553	21,993,424	(9,821,187)	(1,931,000)	19,181,790

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

(Continued)

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

Restricted general funds - The restricted general fund includes grants receivable from the Education Funding Agency and the Department for Education towards the principal activity of the multi academy trust, being the provision of education.

Restricted fixed asset funds - The restricted fixed asset fund includes the leasehold property, furniture and equipment and motor vehicles transferred to Truro & Penwith Academy Trust on 1 April 2014 and Education Funding Agency grants which have been received. The fund is being reduced by depreciation in the year.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

A transfer of £407,865 was made from unrestricted reserves to restricted general reserves to cover the shortfall of income over expenditure.

A transfer of £108,361 was made from restricted general reserves to restricted fixed asset reserves being non-grant funded fixed asset additions.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
Pendeen School	(42,910)
St Ives School	(17,108)
St Dennis Primary Academy	270,534
St Just Primary School	156,391
Kehelland Village School	102,086
Mithian School	167,587
Blackwater Community Primary School	61,940
Perranporth Community Primary School	84,036
Chacewater Community Primary School	73,175
Threemilestone School	237,375
Roche Community Primary School	181,746
St Erth Community Primary School	117,318
Nancledra Primary School	53,456
Central services	21,504
Total before fixed assets fund and pension reserve	1,467,130
Restricted fixed asset fund	21,935,660
Pension reserve	(4,221,000)
Total funds	19,181,790

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

(Continued)

Pendeen School is carrying a net deficit of £42,910 (2015: £36,852) on these funds because of exceptional restructuring costs and investment in resources as part of the improvement plan for the school.

The Trust is taking the following actions to return the School to surplus:

- careful monitoring of staffing costs
- ensuring the overall position is a surplus during the next few years to bring the reserves back into a positive position

St Ives School is carrying a net deficit of £17,108 (2015: £Nil) on these funds because of exceptional restructuring costs and investment in resources as part of the improvement plan for the school.

The Trust is taking the following actions to return the School to surplus:

- careful monitoring of staffing costs
- ensuring the overall position is a surplus during the next few years to bring the reserves back into a positive position

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
	£	£	£	£	£
Pendeen School	350,042	37,428	10,087	94,368	491,925
St Ives School	2,455,267	463,786	40,584	562,109	3,521,746
St Dennis Primary Academy	706,184	79,675	16,432	201,248	1,003,539
St Just Primary School	518,351	81,997	7,978	106,485	714,811
Kehelland Village School	225,550	24,055	3,694	38,309	291,608
Mithian School	338,999	27,818	7,614	123,328	497,759
Blackwater Community Primary School	386,409	35,839	15,568	146,071	583,887
Perranporth Community Primary School	407,416	49,518	3,138	85,489	545,561
Chacewater Community Primary School	147,188	15,907	2,286	68,318	233,699
Threemilestone School	414,427	40,887	4,175	166,840	626,329
Roche Community Primary School	108,779	16,407	2,330	18,836	146,352
St Erth Community Primary School	52,712	5,397	537	16,916	75,562
Nancladra Primary School	31,002	2,760	230	4,512	38,504
Central services	15,279	243,284	4,363	406,136	669,062
	<u>6,157,605</u>	<u>1,124,758</u>	<u>119,016</u>	<u>2,038,965</u>	<u>9,440,344</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	21,633,480	21,633,480
Current assets	2,397,549	-	302,180	2,699,729
Creditors falling due within one year	(930,419)	-	-	(930,419)
Defined benefit pension liability	-	(4,221,000)	-	(4,221,000)
	<u>1,467,130</u>	<u>(4,221,000)</u>	<u>21,935,660</u>	<u>19,181,790</u>

17 Pensions and similar obligations

The 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £161,982 (2015: £55,067) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £570,456 (2015: £261,757).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.4% for employers and 5.5% - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £299,000.

The academy has entered into an agreement with the LGPS Trustees to make additional annual contributions of £62,300 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

The LGPS obligation relates to the employees of the Trust who were employees transferred as part of the conversion from the maintained school (as described in note 23) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the 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.

Total contributions made	2016 £	2015 £
Employer's contributions	319,000	158,000
Employees' contributions	93,000	48,000
Total contributions	<u>412,000</u>	<u>206,000</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	4.1	4.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2016:

0.5% decrease in Real Discount Rate - 16% approximate increase to Employer Liability equating to approximately £1,197,000.

1 year increase in member life expectancy - 3% approximate increase to Employer Liability equating to approximately £229,000.

0.5% increase in the Salary Increase Rate - 6% approximate increase to Employer Liability equating to approximately £484,000.

0.5% increase in the Pension Increase Rate - 9% approximate increase to Employer Liability equating to approximately £669,000.

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

	2016 Years	2015 Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.8	26.8

The Trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	1,634,000	518,000
Bonds	1,464,000	630,000
Property	238,000	88,000
Other assets	68,000	25,000
Total market value of assets	3,404,000	1,261,000

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations	(Continued)	
Actual return on scheme assets - gain/(loss)	303,000	37,000
	<u> </u>	<u> </u>
Amounts recognised in the statement of financial activities	2016	2015
	£	£
Current service cost (net of employee contributions)	424,000	229,000
Net interest cost	61,000	29,000
	<u> </u>	<u> </u>
Changes in the present value of defined benefit obligations		2016
		£
Obligations at 1 September 2015		2,085,000
Obligations acquired on conversion		2,728,000
Current service cost		424,000
Interest cost		143,000
Employee contributions		93,000
Actuarial loss		2,152,000
		<u> </u>
At 31 August 2016		7,625,000
		<u> </u>
Changes in the fair value of the Trust's share of scheme assets		2016
		£
Assets at 1 September 2015		1,261,000
Assets acquired on conversion		1,428,000
Interest income		82,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		221,000
Employer contributions		319,000
Employee contributions		93,000
		<u> </u>
At 31 August 2016		3,404,000
		<u> </u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Reconciliation of net income to net cash flows from operating activities

	2016 £	2015 £
Net income for the reporting period	12,172,237	2,228,544
Adjusted for:		
Net deficit/(surplus) transferred on conversion	(12,319,416)	(2,048,777)
Capital grants from DfE/EFA and other capital income	(422,620)	(487,743)
Investment income	(2,689)	(1,218)
Defined benefit pension costs less contributions payable	105,000	71,000
Defined benefit pension net finance cost/(income)	61,000	29,000
Depreciation of tangible fixed assets	380,843	209,657
(Increase)/decrease in debtors	(1,004,167)	(111,796)
Increase/(decrease) in creditors	272,475	166,352
Stocks, debtors and creditors transferred on conversion	774,154	-
Net cash provided by operating activities	<u>16,817</u>	<u>55,019</u>

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	459,270	38,635
Amounts due in two and five years	1,691,293	54,295
Amounts due after five years	4,412,441	-
	<u>6,563,004</u>	<u>92,930</u>

Included in note 19, commitments under operating leases, are total future minimum lease payments under non-cancellable operating leases relating to the Trust's obligation under Private Finance Initiative (PFI) agreements. The Trust has given due regard to the guidance in the Academies Account Direction 2015/16 and FRS 102 and has determined that the Schools which have PFI contracts are not required to account for any assets held under service concession arrangements.

Amounts due within one year	£381,589
Amounts due between two and five years	£1,526,356
Amounts due after five years	£4,085,850

20 Capital commitments

	2016 £	2015 £
Expenditure contracted for but not provided in the accounts	<u>54,689</u>	<u>-</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Related party transactions

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

Truro and Penwith College - A Corporate Trustee. Transactions with no profit element totalling £188,498 (2015: £149,904), relating to recharges of costs to the Trust, and £1,820 (2015: £Nil), relating to income received from the College, took place in the period. £13,495 (2015: £Nil) was owed by the Trust as at 31 August 2016.

22 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 or she is a Member, or within one year after he or she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a Member.

23 Conversion to an academy

On 1 September 2015 Mithian School and Blackwater Community Primary School; 1 November 2015 St Just Primary School; 1 January 2016 Kehelland Village Hall and Perranporth School; 1 May 2016 Chacewater Community Primary School and Threemilestone School; 1 July 2016 Roche Community Primary School and St Erth Community Primary School; and 1 August 2016 Nancledra County Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Truro & Penwith Academy Trust from Cornwall Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
St Just Primary School	St Just	1 November 2015
Kehelland Village School	Kehelland	1 January 2016
Mithian School	Mithian	1 September 2015
Blackwater Community Primary School	Blackwater	1 September 2015
Perranporth Community Primary School	Perranporth	1 January 2016
Chacewater Community Primary School	Chacewater	1 May 2016
Threemilestone School	Threemilestone	1 May 2016
Roche Community Primary School	Roche	1 July 2016
St Erth Community Primary School	St Erth	1 July 2016
Nancledra Primary School	Nancledra	1 August 2016

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

23 Conversion to an academy (Continued)

Net assets transferred:	2016 £
Freehold land and buildings	1,242,666
Leasehold land and buildings	11,104,463
Cash	498,133
LGPS pension surplus/(deficit)	(1,300,000)
Other debtors	774,154
	12,319,416
	12,319,416

Funds surplus/(deficit) transferred:	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fixed assets funds	-	-	12,347,129	12,347,129
LA budget funds	1,198,778	-	-	1,198,778
School private fund	73,509	-	-	73,509
LGPS pension funds	-	(1,300,000)	-	(1,300,000)
	1,272,287	(1,300,000)	12,347,129	12,319,416
	1,272,287	(1,300,000)	12,347,129	12,319,416

Land and buildings for Mithian School, Blackwater Community Primary School, Kehelland Village School, Perranporth School, Chacewater Community Primary School, Threemilestone School, Roche Community Primary School, St Erth Community Primary School and Nancledra County Primary School have been transferred to Truro and Penwith Academy Trust from Cornwall Council under a 125 year lease.

The freehold land and buildings for St Just Primary School have been transferred to Truro and Penwith Academy Trust from Cornwall Council.

24 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	6,685,009	8,940,553
Change in recognition of LGPS interest cost	1	-
	6,685,009	8,940,553
	6,685,009	8,940,553

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

24 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of net income for the previous financial period

	2015 £
Net income as reported under previous UK GAAP and under FRS 102	2,255,544
Change in recognition of LGPS interest cost	1
	<u> </u>

Notes to reconciliations on adoption of FRS 102

1 Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £13,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.