

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

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

Company Registration No. 08880841 England and Wales

TRURO & PENWITH ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Notes to the accounts	25 - 45

TRURO & PENWITH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

ME Winser (Chair)
DAJ Walrond (Accounting Officer to 31 August 2015)
Dr J Blunden (Resigned 4 November 2014)
Dr J Blunden (Accounting Officer from 1 September 2015)
C Breakwell (Resigned 4 November 2014)
R Crossland (Representative of Truro and Penwith College (Corporate trustee))
SJ Dickinson
AG Livingston (Vice Chair)
MF Osterfield
RJ Penlerick
S Roby (Appointed 1 August 2015)
R Tarleton (Resigned 31 July 2015)
CP Webster (Resigned 30 June 2015)
PJ Wroe

Members

DAJ Walrond
SJ Dickinson
Truro and Penwith College (corporate member)
ME Winser

Senior management team

- Accounting Officer DAJ Walrond (until 31 August 2015)
- Accounting and Chief Executive Officer Dr J Blunden (1 September 2015 onwards)
- Finance Director SJ Dickinson
- Academies Lead P Cloke

Company secretary

AJ Winter

Company registration number

08880841 (England and Wales)

Registered office

Finance Dept
College Road
TRURO
TR1 3XX

Academies operated

St Ives School
Pendeen School
St Dennis Primary Academy
St Just Primary School
Blackwater Community Primary School
Mithian School

Location

St Ives
Pendeen
St Dennis
St Just
Blackwater
Mithian

Headteacher

J Woodhouse
A Craig
J Harvey
J Larter
C Wilson
L Garbett

TRURO & PENWITH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 2015

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 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 2 primary schools and 1 secondary school in Cornwall. These academies have a combined pupil capacity of 1,050 and had a roll of 947 in the school census on 2 October 2014. 3 further primary schools have joined after the year end.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of 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

The academy trust has in place directors' and governors' liability insurance. The limit of this indemnity is £1million.

Method of recruitment and appointment or election of trustees

The make up of the board of trustees is determined by the Articles of Association. The board shall include 7 trustees appointed by Truro and Penwith College and 2 Local Governing Body trustees. The term of office shall be 4 years. The requirements for appointing Local Governing Bodies are set out in the Scheme of Delegated Authority.

Policies and procedures adopted for the induction and training of trustees

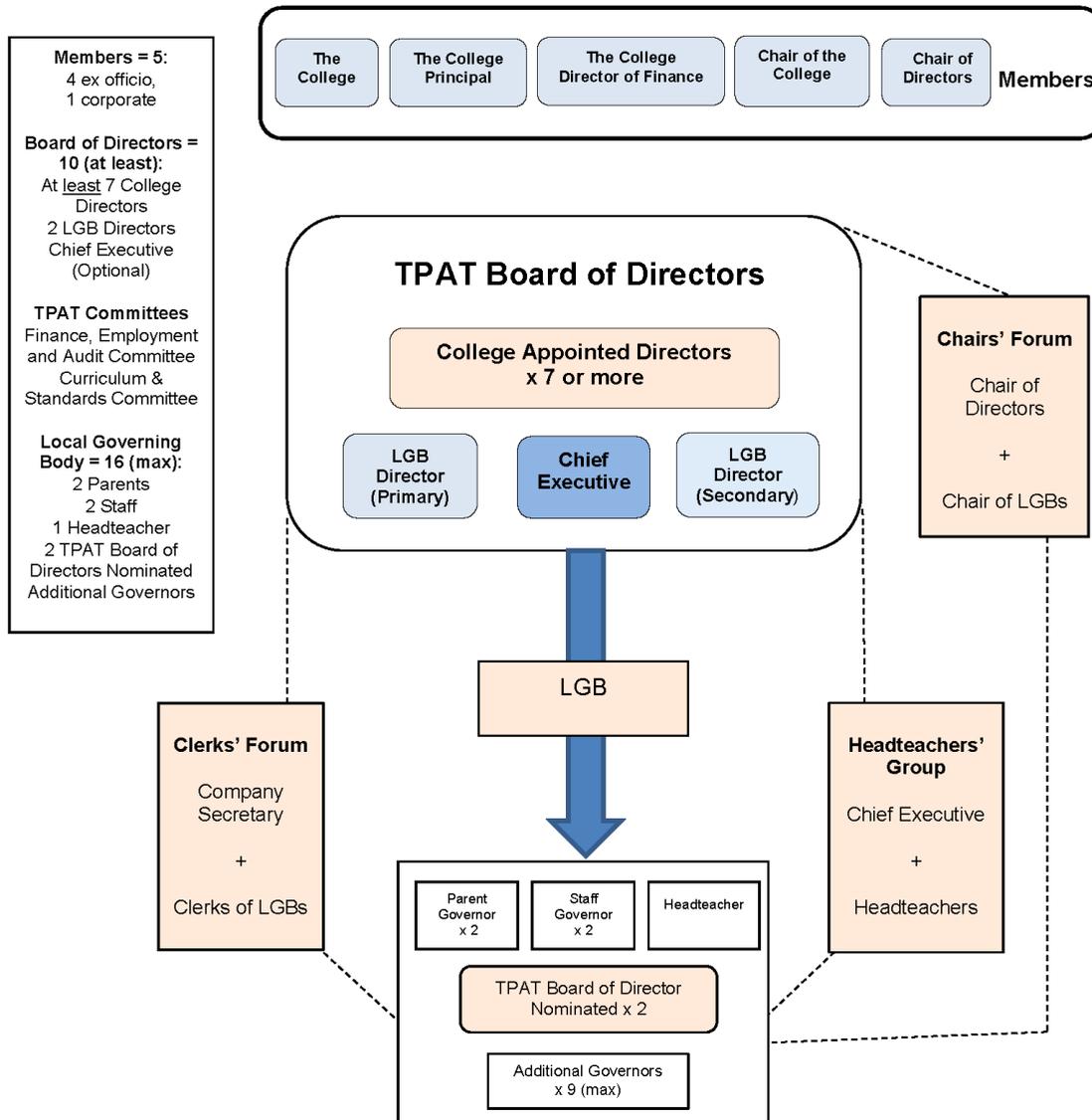
New trustees are provided with an induction pack and training on an ongoing basis. Copies of all relevant policies and other documents are provided to all trustees.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure



A Scheme of Delegation has been approved detailing the responsibilities of the board of trustees, sub-committees and Local Governing Bodies.

Connected organisations including related party relationships

Truro and Penwith College is the sponsor of the academy trust. The role of the sponsor is to share its educational experience, develop the educational vision for the academy trust and support and assist the academy trust and its academies.

Truro and Penwith College is a key partner in the Cornwall Teaching School which provides improvement services and training to the academy trust.

Related party transactions are detailed in Note 22 to the accounts.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

The principal object of the academy trust, as set out in its Articles of Association, is specifically: to advance, for the wider public benefit, education in the UK, in particular, but without prejudice to, the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the mainstream academies) offering a broad and balanced curriculum.

Objectives, strategies and activities

The principal aim of the academy 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.

The key objectives of the academy trust are to:

- facilitate school improvement and effectiveness;
- improve educational opportunities; and
- establish effective governance.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

St Ives School

Examination Results

Student achievement in the 2015 GCSE examinations indicates significant improvement on 2014 results: 65% of students achieved 5 A*-C including English and Maths which is 11 % above national average. Progress measured using 'expected' (3 Levels of Progress) relative to results on entry also indicates strong improvement in both English and Maths and the school anticipates results will be significantly above national averages for this measure when national averages are published. There was improvement in the results of disadvantaged students with significant increases in the proportions achieving the benchmarks identified above and evidence of the gap closing between disadvantaged students and their peers. The progress and achievement of SEND students remains a key priority for further improvement in the 2015-16 academic year.

Attendance

The attendance of students in the academic year 2014-2015 was in line with the national average for similar schools. This remains a key priority for further improvement and, in particular, the reduction in persistent absence for a small but significant group of students.

Pupil Recruitment

98 students are on roll in the current Year 7, an increase in the proportion of students from local partner primaries and a fair reflection of the falling demographic in the area. The current Year 11 is unusually high at 148 students and the school will face significant falls in student numbers over the next 2 years as larger year groups leave and are replaced by smaller cohorts joining the school. Temporary staffing appointments give the school the flexibility to reduce costs by 'natural' shrinkage in staffing without the need for redundancy.

Ofsted

The school is currently rated as 'Requires Improvement' by Ofsted following inspection in January 2014. The school anticipates inspection during the current academic year and has judged the quality of provision as 'Good' following internal processes of self- review supported by external evaluation.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Pendeen School

Pendeen School became a member of Truro and Penwith Academy Trust on 1 April 2014. The information below relates to school year 2014/15 and is based on data published in Autumn 2015.

There has been a new substantive head in place since 1 March 2015 who has dealt with staffing issues, including long term sickness, resignations and underperformance. This has led to a major staffing change from 1 September 2015 with recruitment costs being incurred during 14/15.

Early Years

The 12 children in reception were assessed to see if they had achieved a Good Level of Development (GLD). Unfortunately the outcome of this assessment was below national and local averages; this was in part due to the challenging staffing circumstances in this year group.

Early years remains a priority for our development plan 2015/16 and staffing has been completely reviewed as a result.

Y1 Phonics Check

17 children took the check to see if they had achieved the required level for the end of year one. Unfortunately the outcome of this assessment was below national and local averages; this was in part due to the challenging staffing circumstances in this year group. The year 2 children who retook the test all reached the required level.

Phonics remains a priority for our development plan 2015/16 and resourcing and delivery has been completely reviewed as a result.

Key Stage 1 Assessments

12 children were assessed using work in their books 'teacher assessed' and in some cases tasks and tests to inform levels. There was a 100% pass rate at level 2b+ in reading and maths with 83% in writing. Level 3 passes were above national averages too.

Sustaining these levels is a key priority for our development plan 2015/16, particularly given the current year 2's poor Early Years results.

Key Stage 2 Test Results

11 children were assessed at the end of Key Stage 2. One was unable to sit the tests as they were too difficult for the child's special needs. Although most children made expected or good progress the results did not match national expectations.

Accelerating pupil progress is a key priority for our development plan 2015/16.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

St Dennis Primary Academy

St Dennis Primary Academy became a member of the Truro and Penwith Academy Trust on 1 September 2014.

The indicators below relate to the school year 2014/15 and are based on moderated assessments in May 2015.

Early Years

The 33 children in Early Years were assessed on whether they had achieved a Good Level of Development (GLD) and whether they had met Early Learning Goals (ELGs) in Reading, Writing and Maths. GLD achieved was 60.6% which is below the national average of 66.3% but above the average for Cornwall of 58.9%. The ELGs achieved in Reading, Writing and Maths were also above national and Cornish average at 87.9%, 75.8% and 81.8% respectively. Early Years remains a key priority in the School Improvement and Development Plan for 2015/16 with a particular emphasis on "Understanding of the World" as well as the prime areas of development.

Y1 Phonics Check

20 children in year 1 took the phonics check, together with 13 re-takes from year 2. 22 children were assessed as above the threshold, 15 from year 1 and 7 from year 2. This is an increase on the previous year, but is slightly below the national average and additional intervention has been implemented to address the phonic weaknesses of the children highlighted by this screening check. There is a high number of SEN within the year 2 cohort and this has contributed to the number of children below the threshold in that year.

Key Stage 1 Assessments

From a cohort of 33, 28 children were assessed at Level 2+ and 13 at Level 3. There was an 85% pass rate in respect of Reading, 79% in respect of Writing, and 97% in respect of Maths at Level 2+, the Level 3 results were all below national average, and therefore accelerating pupil progress is a key priority in the School Improvement and Development Plan 2015/16. Again there is a high number of SEN within this cohort and strategies and intervention is in place for these children.

Key Stage 2 Test Results

From a cohort of 34, 26 children were assessed at Level 4+ for reading, 21 at level 4+ for Maths, and 17 at Level 4+ for SPAG (Spelling, Punctuation and Grammar test). 94% of children were assessed at Level 4+ for writing (teacher assessment). One child was reported as operating below the level of the tests for all subjects. These results and as well as the Level 5+ results were below the national average, and once again, accelerating pupil progress is a key priority in the School Improvement and Development Plan 2015/16.

Going concern

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

Financial review

The academy trust derives the majority of its income from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. Details of the grants received are set out in Note 5 to the financial statements.

Reserves policy

Reserves are held for reinvestment in individual schools, for specific capital projects and curriculum investment.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees consider the financial period end position of £8,940,553 (2014: £6,685,009) comprising £9,420,718 (2014: £7,078,309) of restricted fixed asset funds, £(824,000) (2014: £(497,208)) of restricted funds and £343,835 (2014: £103,908) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(824,000) (2014: £(621,000)) and general restricted funds of £Nil (2014: £123,792).

The level of free reserves held by the academy are £343,835 (2014: £103,908).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The academy trust has entered into an agreement with the LGPS trustees to make additional annual contributions of £14,300 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 academy trust are invested in interest earning bank accounts.

Principal risks and uncertainties

The principal risks facing the academy trust are:

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

Mitigating actions have been identified to address these risks.

Financial and risk management objectives and policies

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

Plans for future periods

On 1 September 2015, Blackwater Community Primary School and Mithian School joined the academy trust. St Just Primary School joined the academy trust on 1 November 2015.

The academy trust is in discussion with a number of other schools about joining the trust. These schools are likely to join on 1 September 2016.

TRURO & PENWITH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 08 December 2015 and signed on its behalf by:

ME Winser

Chair

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

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 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 twice during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
ME Winser (Chair)	2	3
DAJ Walrond (Accounting Officer to 31 August 2015)	2	3
Dr J Blunden (Resigned 4 November 2014)	1	1
Dr J Blunden (Accounting Officer from 1 September 2015)	0	0
C Breakwell (Resigned 4 November 2014)	1	1
R Crossland (Representative of Truro and Penwith College (Corporate trustee))	3	3
SJ Dickinson	3	3
AG Livingston (Vice Chair)	3	3
MF Osterfield	1	3
RJ Penlerick	3	3
S Roby (Appointed 1 August 2015)	0	0
R Tarleton (Resigned 31 July 2015)	1	1
CP Webster (Resigned 30 June 2015)	2	3
PJ Wroe	3	3

The academy trust reviews governance throughout the year and has identified skills gaps within the board of trustees. To combat this, positions on the board have been advertised in an attempt to fill these gaps.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 academy trust's finances, financial policies, controls and strategy
- To monitor and advise the board on all aspects of the academy 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 academy trust's internal control systems, and its arrangements for risk management, control, governance processes and value for money, as the trust is not required to establish a separate audit committee.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
ME Winser (Chair)	3	3
SJ Dickinson	3	3
AG Livingston (Vice Chair)	1	3
RJ Penlerick	2	3
CP Webster (Resigned 30 June 2015)	3	3
PJ Wroe	2	3

Review of value for money

As accounting officer the chief executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year as follows.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Improving Educational Results

Our 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 were failing schools and improvement plans have therefore been put in place and resources directed to support these, and to support our principal aim of improving 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.

We have 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 65% of students gaining 5 A*-C passes including English and Maths, which is 11% above national average, and an improvement from 2014 first entry results. There has also been significant increase in results achieved by disadvantaged students, and evidence of narrowing the gap between disadvantaged students and their peers.

The performance of individual schools is monitored on a regular basis in a variety of ways, including a detailed review of school self-evaluation assessments, and is compared with other TPAT schools, other local schools, and statistics available at a regional and national level.

Truro and Penwith Academy Trust (TPAT) has a rigorous system of tracking student progress and achievement, with underachievement identified early and appropriate interventions put in place. TPAT operates an extensive programme of lesson observations, learning walks and evaluation of lessons by teaching staff and Senior Leaders within each school. Relevant and timely action is taken to ensure any weaknesses observed are addressed appropriately.

The schools within TPAT 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.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial Governance and Oversight

Financial governance and oversight is strong. Our Finance Director and our Business Manager are qualified accountants and we have two accountants on the Finance, Employment and Audit Committee. Financial assurance is further informed by termly reports from our 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 will consider and approve larger expenditure items in accordance with the TPAT Scheme of Delegated Authority, and ensure compliance with TPAT's tender arrangements.

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

Better Purchasing

TPAT 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.

TPAT 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 TPAT 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 TPAT grows with additional schools, our buying power increases and puts us into 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 academy and regularly challenge these for economy and effectiveness.

Maximising Income Generation

TPAT explores every opportunity to generate income via rental income and the hire of facilities to the local community, to explore sponsorship and funding opportunities, and to seek funding for specific projects.

TPAT's banking arrangements include earning interest on all of our funds, and permanent free banking in respect of all of our regular transactions.

Reviewing Controls and Managing Risks

The Business Manager, Accounting Officer, Finance Director and school headteachers review regular budget monitoring reports, addressing any significant variances from budget. These reports are also reviewed by the respective school governors. Our internal auditors carry out testing on our systems and controls on a termly basis, and report on internal controls and other matters within their remit.

The Board of Directors review risks and their management through the annual review of our Risk Register. The Board also reviews and approves TPAT policies including the Financial Procedures Manual and Scheme of Delegated Authority.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Truro & Penwith Academy Trust for the year ended 31 August 2015 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2015 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 academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, 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 auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the 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.

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 their work.

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 academy trust who have responsibility for the development and maintenance of the internal control framework.

TRURO & PENWITH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 08 December 2015 and signed on its behalf by:

ME Winser
Chair

Dr J Blunden
Accounting Officer

TRURO & PENWITH ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Truro & Penwith Academy Trust I have considered my responsibility to notify the academy 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 academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 08 December 2015 and signed by:

Dr J Blunden
Accounting Officer

TRURO & PENWITH ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 the 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 08 December 2015 and signed on its behalf by:

ME Winser
Chair

TRURO & PENWITH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRURO & PENWITH ACADEMY TRUST

We have audited the accounts of Truro & Penwith Academy Trust for the year ended 31 August 2015 set out on pages 22 to 45. 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) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 17, 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' Annual 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

TRURO & PENWITH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRURO & PENWITH ACADEMY TRUST

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)

Robinson Reed Layton

Chartered Accountants

Statutory Auditor

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

Dated: 10 December 2015

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 12 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2015 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 2014, 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 2014 to 2015. 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 2015 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 2014 to 2015 issued by the 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- 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 2015 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

Dated: 10 December 2015

TRURO & PENWITH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	2	8,645	3,240	-	11,885	7,694
- Inherited on conversion	23	198,644	(130,000)	1,980,133	2,048,777	6,702,392
- Activities for generating funds	3	10,262	-	-	10,262	4,179
- Investment income	4	1,218	-	-	1,218	265
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	123,251	5,147,637	487,743	5,758,631	2,005,265
Total incoming resources		<u>342,020</u>	<u>5,020,877</u>	<u>2,467,876</u>	<u>7,830,773</u>	<u>8,719,795</u>
Resources expended						
<i>Charitable activities</i>						
- Educational operations	7	12,323	5,354,381	209,657	5,576,361	1,907,938
Governance costs	8	-	12,868	-	12,868	3,848
Total resources expended	6	<u>12,323</u>	<u>5,367,249</u>	<u>209,657</u>	<u>5,589,229</u>	<u>1,911,786</u>
Net incoming/(outgoing) resources before transfers		329,697	(346,372)	2,258,219	2,241,544	6,808,009
Gross transfers between funds		(89,770)	5,580	84,190	-	-
Net income/(expenditure) for the year		<u>239,927</u>	<u>(340,792)</u>	<u>2,342,409</u>	<u>2,241,544</u>	<u>6,808,009</u>
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	14,000	-	14,000	(123,000)
Net movement in funds		239,927	(326,792)	2,342,409	2,255,544	6,685,009
Fund balances at 1 September 2014		103,908	(497,208)	7,078,309	6,685,009	-
Fund balances at 31 August 2015		<u>343,835</u>	<u>(824,000)</u>	<u>9,420,718</u>	<u>8,940,553</u>	<u>6,685,009</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy trust's activities derive from acquisitions in the current two financial periods.

TRURO & PENWITH ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	11		9,259,206		7,062,531
Current assets					
Debtors	12	323,479		211,683	
Cash at bank and in hand		839,812		523,387	
		<u>1,163,291</u>		<u>735,070</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(657,944)		(491,592)	
Net current assets			505,347		243,478
Net assets excluding pension liability			9,764,553		7,306,009
Defined benefit pension liability	17		(824,000)		(621,000)
Net assets			<u>8,940,553</u>		<u>6,685,009</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			9,420,718		7,078,309
- General funds			-		123,792
- Pension reserve			(824,000)		(621,000)
Total restricted funds			<u>8,596,718</u>		<u>6,581,101</u>
Unrestricted income funds	15		343,835		103,908
Total funds			<u>8,940,553</u>		<u>6,685,009</u>

The accounts were approved by order of the board of trustees and authorised for issue on 08 December 2015.

ME Winsor
Chair

Company Number 08880841

TRURO & PENWITH ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	55,019	451,492
Cash funds transferred on conversion		198,644	92,678
Returns on investments and servicing of finance			
Investment income		1,218	265
		<u>1,218</u>	<u>265</u>
Net cash inflow/(outflow) from returns on investments and servicing of finance		1,218	265
		<u>254,881</u>	<u>544,435</u>
Capital expenditure and financial investments			
Capital grants received		487,743	20,240
Payments to acquire tangible fixed assets		(426,199)	(41,288)
		<u>61,544</u>	<u>(21,048)</u>
Net cash flow from capital activities		61,544	(21,048)
Increase/(decrease) in cash	19	<u>316,425</u>	<u>523,387</u>

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

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

The conversion from state maintained schools to an academy 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 an academy 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 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are exclusive of VAT.

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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
Leasehold improvements	10% 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

Freehold land is not depreciated.

1.7 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.

1.8 Taxation

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

1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy 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 academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies (Continued)

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and the Department for Education.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	8,645	3,240	11,885	7,694

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	7,685	-	7,685	3,449
Other income	2,577	-	2,577	730
	10,262	-	10,262	4,179

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	1,218	-	1,218	265

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	4,465,728	4,465,728	1,542,345
Start up grants	-	25,000	25,000	50,000
Capital grants	-	487,743	487,743	20,240
Other DfE / EFA grants	-	476,846	476,846	339,879
	-	5,455,317	5,455,317	1,952,464
Other government grants				
Local authority grants	-	180,063	180,063	23,482
Other grants	-	-	-	5,059
	-	180,063	180,063	28,541
Other funds				
Other incoming resources	123,251	-	123,251	24,260
Total funding	123,251	5,635,380	5,758,631	2,005,265

6 Resources expended

	Staff costs £	Premises costs £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	3,377,632	-	522,347	3,899,979	1,247,796
- Allocated support costs	665,252	449,158	561,972	1,676,382	660,142
	4,042,884	449,158	1,084,319	5,576,361	1,907,938
Other expenditure					
Governance costs	-	-	12,868	12,868	3,848
Total expenditure	4,042,884	449,158	1,097,187	5,589,229	1,911,786

Incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases		
- Plant and machinery	94,646	30,629
Fees payable to auditor		
- Audit	3,000	2,000
- Other services	3,550	3,450

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

(Continued)

Central services

The academy 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 project co-ordinator; and
- school improvement : annual assessment.

The academy trust charges for these services on the following basis:

- 3.5% of GAG

The amounts charged during the year were as follows:

	Total £
St Ives School	113,616
Pendeen School	14,379
St Dennis Primary Academy	28,305
	<hr/>
	156,300
	<hr/> <hr/>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	12,323	3,325,789	3,338,112	1,111,184
Technology costs	-	63,921	63,921	16,850
Educational supplies and services	-	57,730	57,730	27,170
Examination fees	-	38,193	38,193	3,833
Staff development	-	39,520	39,520	6,438
Educational consultancy	-	82,598	82,598	23,705
Other direct costs	-	279,905	279,905	58,616
	<u>12,323</u>	<u>3,887,656</u>	<u>3,899,979</u>	<u>1,247,796</u>
Allocated support costs				
Support staff costs	-	665,252	665,252	253,220
Depreciation	-	209,657	209,657	66,471
Technology costs	-	12,102	12,102	2,391
Recruitment and support	-	34,051	34,051	6,793
Maintenance of premises and equipment	-	239,501	239,501	167,960
Cleaning	-	37,798	37,798	4,689
Energy costs	-	68,935	68,935	18,098
Rent and rates	-	39,340	39,340	13,914
Insurance	-	39,715	39,715	10,572
Security and transport	-	21,231	21,231	6,055
Catering	-	79,175	79,175	16,628
Interest and finance costs	-	16,000	16,000	6,000
Other support costs	-	213,625	213,625	87,351
	<u>-</u>	<u>1,676,382</u>	<u>1,676,382</u>	<u>660,142</u>
Total costs	<u>12,323</u>	<u>5,564,038</u>	<u>5,576,361</u>	<u>1,907,938</u>

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Auditor's remuneration				
- Audit of financial statements	-	3,000	3,000	2,750
- Other audit costs	-	2,100	2,100	450
Other governance costs	-	7,768	7,768	648
	<u>-</u>	<u>12,868</u>	<u>12,868</u>	<u>3,848</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £	2014 £
Wages and salaries	3,064,924	1,077,810
Social security costs	197,738	66,602
Other pension costs	501,311	156,279
	<u>3,763,973</u>	<u>1,300,691</u>
Supply teacher costs	190,821	27,713
Compensation payments	48,570	36,000
Staff development and other staff costs	39,520	6,438
	<u>4,042,884</u>	<u>1,370,842</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	50	39
Administration and support	56	44
Management	6	5
	<u>112</u>	<u>88</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
	<u>2</u>	<u>0</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	2	-
	£	19,222	-
		<u>2</u>	<u>0</u>
Local Government Pension Scheme	Numbers	-	-
	£	-	-
		<u>0</u>	<u>0</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £48,570 (2014: £36,000). Individually, the payments were: £13,500, £6,500, £10,000, £7,264, £7,314 and £3,992.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

During the year, travel and subsistence payments totalling £425 (2014: £419) were reimbursed or paid directly to 4 trustees (2014: 5 trustees).

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,053 (2014: £922).

11 Tangible fixed assets

	Leasehold land & buildings	Freehold buildings	Computer equipment	Furniture & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2014	7,047,714	-	39,661	35,627	6,000	7,129,002
Additions	107,482	215,514	95,391	7,812	-	426,199
Transfers	-	1,957,133	15,000	6,000	2,000	1,980,133
At 31 August 2015	7,155,196	2,172,647	150,052	49,439	8,000	9,535,334
Depreciation						
At 1 September 2014	58,731	-	4,495	2,745	500	66,471
Charge for the year	140,954	27,503	30,593	9,007	1,600	209,657
At 31 August 2015	199,685	27,503	35,088	11,752	2,100	276,128
Net book value						
At 31 August 2015	6,955,511	2,145,144	114,964	37,687	5,900	9,259,206
At 31 August 2014	6,988,983	-	35,166	32,882	5,500	7,062,531

12 Debtors

	2015 £	2014 £
Trade debtors	22,027	2,460
VAT recoverable	82,877	48,878
Prepayments and accrued income	218,575	160,345
	323,479	211,683

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

13 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	184,692	245,660
Taxes and social security costs	58,589	-
Other creditors	56,630	1,212
Accruals	204,315	135,204
Deferred income	153,718	109,516
	<u>657,944</u>	<u>491,592</u>
	<u><u>657,944</u></u>	<u><u>491,592</u></u>
14 Deferred income	2015	2014
	£	£
Deferred income is included within:		
Creditors due within one year	153,718	109,516
	<u>153,718</u>	<u>109,516</u>
	<u><u>153,718</u></u>	<u><u>109,516</u></u>
Total deferred income at 1 September 2014	109,516	-
Amounts credited to the statement of financial activities	(109,516)	-
Amounts deferred in the year	153,718	109,516
	<u>153,718</u>	<u>109,516</u>
Total deferred income at 31 August 2015	<u><u>153,718</u></u>	<u><u>109,516</u></u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	-	4,465,728	(4,471,308)	5,580	-
Start up grants	-	25,000	(25,000)	-	-
Other DfE / EFA grants	120,392	476,846	(597,238)	-	-
Other government grants	3,400	180,063	(183,463)	-	-
Other restricted funds	-	3,240	(3,240)	-	-
	<u>123,792</u>	<u>5,150,877</u>	<u>(5,280,249)</u>	<u>5,580</u>	<u>-</u>
Funds excluding pensions	(621,000)	(130,000)	(87,000)	14,000	(824,000)
	<u>(497,208)</u>	<u>5,020,877</u>	<u>(5,367,249)</u>	<u>19,580</u>	<u>(824,000)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	18,701	487,743	(2,748)	(12,519)	491,177
Inherited fixed asset fund	7,025,094	1,980,133	(184,390)	-	8,820,837
Capital expenditure from GAG or other funds	34,514	-	(22,519)	96,709	108,704
	<u>7,078,309</u>	<u>2,467,876</u>	<u>(209,657)</u>	<u>84,190</u>	<u>9,420,718</u>
Total restricted funds	<u>6,581,101</u>	<u>7,488,753</u>	<u>(5,576,906)</u>	<u>103,770</u>	<u>8,596,718</u>
Unrestricted funds					
General funds	<u>103,908</u>	<u>342,020</u>	<u>(12,323)</u>	<u>(89,770)</u>	<u>343,835</u>
Total funds	<u>6,685,009</u>	<u>7,830,773</u>	<u>(5,589,229)</u>	<u>14,000</u>	<u>8,940,553</u>

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 academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

Analysis of academies by fund balance

	Total £
Fund balances at 31 August 2015 were allocated as follows:	
St Ives School	99,751
Pendeen School	(36,852)
St Dennis Primary Academy	191,963
Central services	88,973
	<hr/>
Funds excluding fixed asset fund and pensions reserve	343,835
Restricted fixed asset fund	9,420,718
Pension reserve	(824,000)
	<hr/>
Total funds	<u>8,940,553</u>

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

The Academy 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

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 £
St Ives School	2,299,779	444,625	37,401	753,888	3,535,693
Pendeen School	340,874	47,686	11,628	126,425	526,613
St Dennis Primary Academy	697,458	49,268	6,811	228,048	981,585
Central services	-	52,673	-	216,007	268,680
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,338,111</u>	<u>594,252</u>	<u>55,840</u>	<u>1,324,368</u>	<u>5,312,571</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	9,259,206	9,259,206
Current assets	1,001,779	-	161,512	1,163,291
Creditors falling due within one year	(657,944)	-	-	(657,944)
Defined benefit pension liability	-	(824,000)	-	(824,000)
	<u>343,835</u>	<u>(824,000)</u>	<u>9,420,718</u>	<u>8,940,553</u>

17 Pensions and similar obligations

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

The 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.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 2015

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 (currently 14.1%))
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation 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 £261,757 (2014: £91,723).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £156,000.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions of £14,300 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 Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Contributions made	2015	2014
	£	£
Employer's contributions	158,000	52,000
Employees' contributions	48,000	16,000
	<hr/>	<hr/>
Total contributions	206,000	68,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2015	2014
	%	%
Rate of increase in salaries	4.6	4.5
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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 2015:

0.5% decrease in Real Discount Rate - 16% approximate increase to Employer Liability equating to approximately £324,000.

1 year increase in member life expectancy - 3% approximate increase to Employer Liability equating to approximately £63,000.

0.5% increase in the Salary Increase Rate - 9% approximate increase to Employer Liability equating to approximately £191,000.

0.5% increase in the Pension Increase Rate - 6% approximate increase to Employer Liability equating to approximately £121,000.

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

	2015 Years	2014 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
	:	:

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	518,000	6.2	436,000
Bonds	3.8	630,000	3.2	329,000
Property	3.8	88,000	4.5	49,000
Other assets	3.8	25,000	3.3	8,000
		<u>1,261,000</u>		<u>822,000</u>
Total market value of assets		1,261,000		822,000
Present value of scheme liabilities - funded		(2,085,000)		(1,443,000)
		<u>(824,000)</u>		<u>(621,000)</u>
Net pension asset / (liability)		(824,000)		(621,000)

The expected rates of return are set equal to the discount rate (as per the forthcoming FRS 102 disclosure requirements).

The actual return on scheme assets was £37,000.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	229,000	66,000
Past service cost	-	-
	<u>229,000</u>	<u>66,000</u>
Total operating charge	229,000	66,000
Finance costs/(income)		
Expected return on pension scheme assets	(54,000)	(16,000)
Interest on pension liabilities	70,000	22,000
	<u>16,000</u>	<u>6,000</u>
Net finance costs/(income)	16,000	6,000
	<u>245,000</u>	<u>72,000</u>
Total charge/(income)	245,000	72,000

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	17,000	(34,000)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	(31,000)	157,000
	<u> </u>	<u> </u>
Total (gains)/losses	(14,000)	123,000
	<u> </u>	<u> </u>
Cumulative (gains)/losses to date	109,000	123,000
	<u> </u>	<u> </u>

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(1,443,000)	-
Obligations acquired on conversion	(326,000)	(1,182,000)
Current service cost	(229,000)	(66,000)
Interest cost	(70,000)	(22,000)
Contributions by employees	(48,000)	(16,000)
Actuarial gains/(losses)	31,000	(157,000)
	<u> </u>	<u> </u>
At 31 August 2015	(2,085,000)	(1,443,000)
	<u> </u>	<u> </u>

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	822,000	-
Assets acquired on conversion	196,000	704,000
Expected return on assets	54,000	16,000
Actuarial gains/(losses)	(17,000)	34,000
Contributions by employers	158,000	52,000
Contributions by employees	48,000	16,000
	<u> </u>	<u> </u>
At 31 August 2015	1,261,000	822,000
	<u> </u>	<u> </u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations		(Continued)			
History of experience gains and losses					
	2015	2014			
	£	£			
Present value of defined benefit obligations	(2,085,000)	(1,443,000)			
Fair value of share of scheme assets	1,261,000	822,000			
Surplus / (deficit)	<u>(824,000)</u>	<u>(621,000)</u>			
Experience adjustment on scheme assets	(17,000)	34,000			
Experience adjustment on scheme liabilities	-	-			
	<u>-</u>	<u>-</u>			
18 Reconciliation of net income to net cash inflow/(outflow) from operating activities		2015	2014		
		£	£		
Net income		2,241,544	6,808,009		
Capital grants and similar income		(487,743)	(20,240)		
Net deficit/(surplus) transferred on conversion		(2,048,777)	(6,702,392)		
Investment income		(1,218)	(265)		
Defined benefit pension costs less contributions payable		71,000	14,000		
Defined benefit pension finance costs/(income)		16,000	6,000		
Depreciation of tangible fixed assets		209,657	66,471		
(Increase)/decrease in debtors		(111,796)	(211,683)		
Increase/(decrease) in creditors		166,352	491,592		
Net cash inflow/(outflow) from operating activities		<u>55,019</u>	<u>451,492</u>		
19 Reconciliation of net cash flow to movement in net funds		2015	2014		
		£	£		
Increase/(decrease) in cash		316,425	523,387		
Net funds at 1 September 2014		523,387	-		
Net funds at 31 August 2015		<u>839,812</u>	<u>523,387</u>		
20 Analysis of net funds					
	At 1 September 2014	Transferred on conversion	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£	£
Cash at bank and in hand	523,387	198,644	117,781	-	839,812
	<u>523,387</u>	<u>198,644</u>	<u>117,781</u>	<u>-</u>	<u>839,812</u>

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	19,764	31,038
- Between two and five years	30,111	58,290
	<u>49,875</u>	<u>89,328</u>

22 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy 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 £149,904 (2014: £86,710), relating to recharges of costs to the academy trust, and £Nil (2014: £395), relating to income received from the College for advertising in student planners, took place in the period. £Nil (2014: £4,148) was owed to the academy trust as at 31 August 2015.

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 Conversion to an academy

On 1 September 2014 St Dennis Primary Academy 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 using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

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 Dennis Primary Academy	St Dennis	1 September 2014		
Funds surplus/(deficit) transferred:	Unrestricted funds	Restricted funds	Fixed asset funds	Total 2015
	£	£	£	£
Fixed assets funds	-	-	1,980,133	1,980,133
LA budget funds	198,644	-	-	198,644
LGPS pension funds	-	(130,000)	-	(130,000)
	<u>198,644</u>	<u>(130,000)</u>	<u>1,980,133</u>	<u>2,048,777</u>
Net assets transferred:				£
Freehold land and buildings				1,957,133
Tangible fixed assets apart from land and buildings				23,000
Cash				198,644
Pension surplus/(deficit)				(130,000)
				<u>2,048,777</u>

24 Post balance sheet events

After the year end, the following schools converted to academy trust status and joined Truro & Penwith Academy Trust.

Academy	Location	Date of conversion
St Just Primary School	St Just	1 November 2015
Blackwater Community Primary School	Blackwater	1 September 2015
Mithian School	Mithian	1 September 2015

TRURO & PENWITH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.