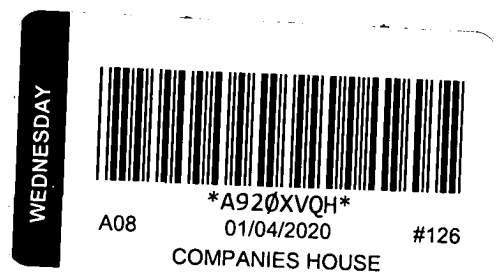


Company Registration Number: 07695977 (England & Wales)

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

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FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Reverend S Cade Professor D Hosken Mrs L Osborne (appointed 18 July 2019) Mr A Williams (resigned 12 July 2019) Mr D Nicoll (resigned 12 July 2019) Mr M Thomson (appointed 9 July 2019, resigned 18 July 2019)
Trustees	Mr A Williams, Chair (resigned 12 July 2019) ^{2,3} Mr D Nicoll, Vice Chair (resigned 12 July 2019) ^{2,3,4} Mrs S Godzicz (resigned 12 July 2019) ^{1,3} Mr M Griffiths (resigned 12 July 2019) ^{1,3} Mr R Wilson (resigned 12 July 2019) ^{1,5} Mr P Orwin, Chair (appointed 12 July 2019) Mrs K Bond, Vice Chair (appointed 12 July 2019) Canon W Stuart-White (appointed 12 July 2019) Mr D Baker (appointed 30 August 2019) Mrs B Hale (appointed 18 July 2019, resigned 22 July 2019) Mr M Thomson (appointed 18 July 2019, resigned 7 August 2019) Mr M Eades (appointed 9 October 2019) ¹ Operations Committee ² Standards Committee ³ Falmouth School Local Advisory Board ⁴ King Charles School Local Advisory Board ⁵ St Francis School Local Advisory Board
Company registered number	07695977
Company name	Falmouth MAT
Principal and Registered office	Trescobeas Road Falmouth Cornwall TR11 4LH
Company secretary	Mrs D Pullen
Accounting officer	Mr W Miners, Chief Executive Officer (resigned 2 September 2019) Mrs S Karkeek (Interim to 31 October 2019) Mr M Lees (Interim from 20 November 2019)

The following staff were the members of the Strategic MAT Leadership Team for the year ended 31 August 2019.

**Strategic MAT
Leadership Team**

Mr W Miners, Chief Executive Officer (resigned 2 September 2019)
Mrs D Pullen, Director of Shared Services
Mr M Hickman, Director of Teaching and Learning
Mrs P Isles, Director of Student Services (Stepped down in May 2019)
Mr P Preece, Assistant Headteacher
Mr A George, Deputy Headteacher
Mrs H Stevens, Headteacher St Francis
Mrs R Marsh, Deputy Headteacher St Francis

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

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

Mr L Moscato, Headteacher King Charles
Mrs C Brokenshire, Deputy Headteacher King Charles
Mrs S Karkeek, Interim CEO (appointed September 2019, resigned 31 October 2019)
Mr M Lees, Interim CEO (appointed 20 November 2019)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Chy Nyverow Newham Road Truro Cornwall TR1 2DP
Bankers	Lloyds TSB 11-12 Killigrew Street Falmouth Cornwall TR11 3PA
Solicitors	Nalders Osprey House Farley House Falmouth Road Cornwall TR1 2HX
Actuary	Hymans Robertson LLP 20 Waterloo Street Glasgow G2 6DB

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The current Board of Trustees were appointed from 12 July 2019 when the previous board resigned, and were not in place for the bulk of the financial year. The current chair took on the role from this date. The current Accounting office was appointed on 20 November 2019. The new Board focussed on the implementation of governance reviews which they commissioned.

The Trust operates 2 primary and 1 secondary academies in Falmouth. Its academies have a combined pupil capacity of 2,184 and had a roll of 1,780 in the school census on 3 October 2019.

Pupil capacity at St Francis is 420, number on roll is 422.

Pupil capacity at King Charles is 420, number on roll is 412. 2 of these children are in the nursery.

Pupil capacity at Falmouth school is 1344, number on roll is 946. 170 of these students are in sixth form.

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 Falmouth MAT are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

The Academy Trust was incorporated in 2011 and converted to a Multi Academy Trust on 1 September 2017. It 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 Falmouth MAT are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Falmouth MAT.

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 6 Trustees who are appointed by members.

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

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

- No fewer than 2 Trustees appointed by Askel Veur provided this does not exceed 25% of the total number of Trustees.

Trustees are appointed for a four-year period, subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As a new Board was in place from 12 July 2019 the induction process was reviewed and updated.

Trustees are encouraged to attend any and all staff training events, staff meeting and enrichment sessions provided by the school. There are also sessions arranged by the MAT officer for additional training and networking. Where there is a specific need for additional or regularity training the MAT officer will try to source an appropriate provider to cover this area and ensure that a suitable member of the Board of Trustees is able to attend and report back to the full board on their return.

Organisational Structure

The composition of the Trustees at the start of financial year is set out on page 1. The Board of Trustees are constituted under the Memorandum and Articles of Association. The Board of Trustees are responsible for ensuring that high standards of corporate governance are maintained. It is the Board of Trustees' responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board of Trustees met 9 times during the 2018/2019 financial year. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. On the 12th July, the composition of the Board changed. The new Trustees commissioned a Full External Review of Governance on 12th July 2019 and this will inform the Governance structure moving forwards.

The Governance structure at the start of the financial year was approved on 6th March 2018. At that time, the following 2 Committees were established, this changed on the 12th July 2019.

- Operations Committee - this meets termly and is responsible for overseeing all matters relating to resources, staffing, policy, premises, compliance and regulation.
- Standards Committee this meets termly and is responsible for overseeing all matters relating to school improvement, students, teaching and learning, safeguarding, ethos and values.

In addition to this, each school had a Local Advisory Board that operated under the MAT's Scheme of Delegated Authority. A representative from each LAB sat on the Operations and Standards Committees.

A full skills audit of the Trustees was completed in July 2018 showing no significant gaps. This exercise was repeated in July 2019 when the new Board began and there are no capacity concerns.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Chief Executive and Executive Board. The Executive Board comprises the Chief Executive, Director of Operations, Director of Teaching and Learning, Director of Student Services, Head of School at Falmouth School, Head Teacher and Deputy Head Teacher at St Francis School and the Head Teacher and Deputy Headteacher at King Charles School. The Executive Board implement the policies laid down by the Trustees and report back to them on performance. From September 2019, the Executive board became known as the Executive Team to avoid confusion regarding layers of Governance.

Following the appointment of the new Board of Trustees on 12th July 2019, a Governance Review was commissioned and this will inform the structure moving forwards. Following the inadequate Ofsted judgement at Falmouth School in May 2019, the National School's Commissioner has made the decision to re-broker Falmouth School and subsequently Falmouth MAT as Falmouth MAT is not viable financially once Falmouth School is removed. All business is being considered by the full MAT Board until the Governance Review and subsequent action plans are completed.

During the academic year 2018 to 19 the Accounting Officer was Brett Miners, he has since left his post and has been replaced on an interim basis since 1st September 2019.

The Chief Executive is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees and the Executive Board comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

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

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size and market conditions are considered. The benchmark is the mid point of the range paid for similar roles adjusting for any additional responsibilities.

Connected Organisations, including Related Party Relationships

The MAT is not part of any formal network. It is not connected to any other charities/organisations with which it cooperates in pursuit of charitable activities. The MAT works closely with other local primary and secondary schools.

During 2018/19 there are no related parties which either control or significantly influence the decisions and operations of Falmouth MAT.

Falmouth School is part of a group of four schools working under the banner "South Shore Partnership" which provides excellent educational environments and unique opportunities for study for all 11 to 19-year-old students in the area.

The MAT work with the University of Falmouth and Plymouth Argyle in delivering post 16 courses to students.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the MAT is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

Falmouth MAT comprises of 3 schools all based in Falmouth. One secondary, Falmouth School, and two primary schools, King Charles Primary School and St Francis C of E Primary School. The secondary school was judged to be inadequate with serious weaknesses in May 2019, mainly for leadership and management.

Falmouth MAT is a partnership of schools in Falmouth working together to ensure children can access the highest possible levels of achievement in fulfilling their potential. At the very heart of our partnership is our community in and around Falmouth and our commitment to ensure decisions about the current and future educational provision for our children remains locally based. As partners we remain committed to the belief that education has the power to change lives and that this is best achieved through a partnership that works together whilst also recognising and celebrating the unique and distinctive features of our schools.

We want our pupils to be challenged and excited by their learning experiences, yet feel supported and valued. They must be offered parity of esteem and equality of opportunity. They should show mutual respect and be entitled to work and learn without interruption from others in an environment which is pleasant, safe and healthy. High levels of achievement, hard work and courteous, considerate behaviour are equally regarded and must be recognised and rewarded.

We accept that we have work to do to support and challenge Falmouth School to improve following the outcomes on the school inspection in May 2019. The newly appointed Trust Board in July 2019 have set about to address these issues.

We are good humoured but well disciplined, well managed schools, open and consultative, visionary and innovative, but with a real sense of purpose and knowing where we are going. Our teaching and support staff are committed to the highest professional standards and are themselves willing to learn and develop.

We work in partnership with parents and with the wider community, to listen, to respond, support and be accountable to them, to share our resources and to enhance our learning programmes by using and involving the community.

Objectives, Strategies and Activities

The strategy for the MAT is encompassed in its vision to 'place learning as the focus of our work and that we have courage and passion to innovate and achieve the very best we can' (Falmouth MAT Vision Statement – www.falmouthmat.org.uk)

The key objectives of the Trust are:

- Achieve the highest possible standards and outcomes for our schools
- Have the best teaching and learning possible in our schools
- Ensure our children are as positively engaged in learning as possible
- Ensure our children build and maintain respectful relationships
- Ensure we have a local Governance structure and therefore a local decision making approach

We therefore aspire to:

- Develop further academic, sporting, technical and practical skills and abilities
- Foster and further encourage the use of creativity, imagination, aesthetic and spiritual awareness
- Encourage observation and enquiry when problem solving and exercising judgement
- Ensure informed progression takes place into next stage and lifelong learning
- Maintain our local voice in decision making

It is also equally important that the MAT ensures our children:

- Understand self discipline

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

- Work well with others
- Take pride in their work, appearance and punctuality
- Are polite, reliable, adaptable and persevering
- Are tolerant of other viewpoints
- Take care of our learning and community environment

To make these aims a reality we have set strategic objectives.

Our strategic aims are:

1. That all staff across the trust will have a child centred and coordinated approach to safeguarding and will work in accordance with the statutory guidance for schools and colleges outlined in 'Keeping children safe in education', September 2019. (all staff, LGB's, Trustees)
2. We will promote inclusivity by aiming to ensure all pupils in our care complete their programmes of study in a setting that is in the best interests of the pupil. We will not support any off rolling of students and will ensure that permanent exclusion is only used as a last resort in all of our schools. (CEO, Executive Leadership and Trustees)
3. We will ensure continual academic and personal progress in our academies, across the whole school curriculum and at all levels, enabling pupils and adults to flourish so that all pupils achieve their best. (all staff performance measure, CEO, Executive Leadership, LGB's and Trustees)
4. FMAT will seek to access enriching experiences for our young people through a contextual curriculum, offering them opportunities to broaden their horizons as 21st century citizens. (all staff, CEO, Executive Leadership, LGB's and Trustees)
5. We will build upon and develop positive relationships with our parents and local community including holding joint MAT events (all staff, CEO, Executive Leadership, Trustees and LGB's)
6. We will work with wider alliances and strategic partners to draw upon each other's strengths, developing a systematic and strategic programme of CPD, engaging the very best advisors and recruiting and developing the finest workforce. (CEO, Executive Leadership and Trustees)
7. We will continue to develop our facilities across all sites to ensure that all children and staff have access to an ever-improving learning environment. (CEO, Executive Leadership and Trustees)
8. We will secure balanced budgets in all academies with long-term sustainable budget plans, to secure greater economies of scale, greater financial efficiency through joint planning and procurement. We will continue to build strong and financially sound central teams to serve and support the needs of our academies and to effectively manage Trust risks. (Director of Shared Services, CEO and Trustees)

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

Children in Falmouth MAT have achieved very strong outcomes relative to national averages across a range of different outcome measures.

King Charles CE Primary School

The school has 412 pupils on roll organised into 14 classes. The school currently has two children on roll in the nursery and they work in the Reception class. There are plans to improve and develop the nursery provision at King Charles CE.

- Absence rates were above similar schools at 5.0% and persistent absence was also slightly above at 9%.
- The number of pupils eligible for FSM/Ever 6 is low at 12% (na 23%).
- SEND Support is 6.3% which is much lower than the national average of 23%. The number of pupils with EHC plans is 0.9% (na 1.6).
- There were no permanent exclusions in the period 2017 to 18.

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

Assessment information for 2019 (Data)

- Early Years GLD for 2019 was 72% which is broadly in line with the national average.
- 92% of pupils reached the expected standard in the Year 1 phonics screening assessments in 2019 which will be significantly above the national average

Key Stage 1 outcomes in 2019

Subject	ARE	ARE National	GD	GD National	3-year average
Reading	82	75	20	25	75
Writing	75	69	7	15	69
Mathematics	77	76	16	22	75
Science	86	82			84

Key Stage 2 outcomes in 2019

Subject	ARE	ARE National	GD	GD National	Progress
Reading	80	73	32	27	0.56
Writing	80	78	15	20	-1.13
Mathematics	87	79	30	27	0.69
Combined	73	65	10	11	
GPS	78	78	38	36	

Points to note in key stage 2:

- There is a gap between pupil premium pupils and others in reading and mathematics.
- The only gender gap in key stage 2 is for the boys in GPS.
- Pupils attaining at the higher level in writing and the progress made by all pupils are not as positive as in reading and mathematics.

St Francis CE Primary

- The school has 422 pupils on roll and is organised into 14 classes.
- Attendance percentage was 95.4% in 2017/18 and absence rates in 2017/18 were above similar schools at 4.6% and persistent absence was below at 5.7%. During the first half of the autumn term 2019 attendance levels were at 97
- The number of pupils eligible for FSM/Ever 6 is low at 12% (na 23%).
- SEND Support is 9.3% which is much lower than the national average of 23%. The number of pupils with EHC plans is 0.2% (na 1.6). Leaders are looking into whether the numbers on the record of need accurately reflect the needs within the school.
- There were no permanent exclusions in the period 2017 to 18.

Assessment information for 2019 (Data).

- Early Years GLD for 2019 was 50% which was significantly below the national average.
- 75% of pupils reached the expected standard in the Year 1 phonics screening assessment in 2019.

Key Stage 1 outcomes in 2019

Subject	ARE	ARE National	GD	GD National	3-year average
Reading	70	75	21	25	69
Writing	61	69	13	15	61
Mathematics	69	76	18	22	71
Science	77	82			

Points to note in key stage 1:

- Attainment in reading, writing and mathematics was below average in 2019 and also over the last three years.
- The disadvantaged pupils' gap closed in 2019.

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

Key Stage 2 outcomes in 2019

Subject	ARE	ARE National	GD	GD National	Progress
Reading	85	73	42	27	3.7
Writing	82	78	27	20	1.2
Mathematics	90	79	45	27	4.0
Combined	80	65	13	11	
GPS	83	78	45	36	

Points to note in key stage 2:

- There is a gap between pupil premium pupils/SEND and other in reading, writing and mathematics. 96.5% and 33%).
- Key Stage 2 attainment and progress were significantly above the national average and in the top 20% of schools.
- The combined outcome in 2019 at 80% was significantly above the national average and in the top 20% of schools.

Falmouth School

In May 2019, the school was subject to an OFSTED inspection and received an inadequate judgement mainly for leadership and management.

The areas for improvement cited are below:

Improve the effectiveness of leadership and management, including governance, by ensuring that:

- leaders evaluate the pattern of, and account for, the high number of pupils leaving the school before the end of Year 11, so that they understand the reasons for this and work to reduce it.
- leaders repair partnerships with external agencies, including the local authority, to ensure the well-being of pupils.
- leaders improve the quality of the relationships between themselves and parents, staff and the community.
- the trust board and governors hold leaders to account more stringently.
- leaders systematically evaluate the impact of actions they take to support pupils with SEND and other vulnerable groups.
- leaders keep a clear record of the frequency of reports of bullying so that they can evaluate the extent of these and whether these issues are resolved.

Improve pupils' personal development, behaviour and welfare by:

- ensuring that pupils with SEND and other vulnerable groups receive the support they need to flourish.
An external review of governance was recommended and was completed in October 2019 across all three schools.

Key Stage 4 Outcomes

As found by Ofsted the whole school teaching model is strong and leads to good outcomes for students that have placed Falmouth as significantly above national average progress for learners in the past 5 years as described in the recent presentation of results to governors.

	2019	2018	2017	2016
Progress8 Score	0.26	0.34	0.47	0.30
Progress8 Score Disadvantaged	-0.04	-0.1	0.02	-0.27
Attainment8 Score	TBC	52.2	50.7	54.9
Attainment8 Score Disadvantaged	TBC	44.2	39.7	45.1
National average A8	46.5	46.5	46.3	49.9

Disadvantaged pupils are those who were eligible for free school meals at any time during the last 6 years and children looked after (in the care of the local authority for a day or more or who have been adopted from care).

The progress of disadvantaged students is lower than that of others and this is an area of focus. New plans are

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

being drawn up which are a complete change to previous years. The National progress score for disadvantaged students was -0.40 last year. This shows that progress of this group is good when compared to national figures, but there needs to be no gap between the progress of disadvantaged students and others.

Progress is above average in all areas, with option choices in the Open Element contributing most.

	Progress 8 Eng Element	Progress 8 Maths Element	Progress Ebacc Element	Progress Open Element
2019	0.03	0.09	0.13	0.66
2018	0.22	0.20	0.11	0.75

Progress by groups shows there was good progress for all groups but disadvantaged students made lower progress.

	P8	P8 L Attainers	P8 M Attainers	P8 H Attainers	P8 Boys	P8 Girls	P8 Non- Disad	P8 Disad
2019	0.26	0.32	0.31	0.18	0.24	0.28	0.38	-0.04
2018	0.34	0.33	0.57	0.16	0.25	0.45	0.44	-0.1

Attainment mirrors the progress scores.

	A8	A8 L Attainers	A8 M Attainers	A8 H Attainers	A8 Boys	A8 Girls	A8 Non- Disad	A8 Disad
2019 School	48.2	26.0	43.7	62.2	47.2	48.8	51.8	38.7
2019 National	45.7	23.6	40.3	59.2	44.0	48.0	49.0	36.3
2018 School	52.2	28.7	46.7	62.6	52.0	52.3	53.8	44.2

Progress by subject

- Highest progress scores are in options subjects, RE, Child development, Sport, Music, Dance, Photography all above 1.2.
- Art, Spanish, History, Hospitality, Engineering, Product Design and French above 0.2.
- Core subjects were around 0.0.
- Progress in Geography is improving but further improvement is needed in this and Media.

Post-16 College Outcomes

Ofsted stated, 'The quality of sixth-form provision is good.'

Falmouth College offers A level, Level 2 and Level 3 BTEC qualifications as well as Level 2 Construction, CACHE Childcare, and Hairdressing courses. There is a partnership with Falmouth University in teaching of Dance and with Plymouth Argyle in teaching sport courses.

Many students choose a mixed programme of A levels with BTECs.

A level outcomes	2019	2018	2017
Pass A*-E	99	100	100
A*-C (Nat. Aver. 77% state only)	76	79	78
A*-B (Nat. Aver. 51% state only)	55	50	46

69% of all Y13 into Higher Education

13% of all Y13 into Russell Group universities (Bristol, Cardiff, Exeter)

4 students are studying at Exeter university

4 students secured places at Falmouth University on Graphic Design, Animation, Theatre and Game Art courses

Disadvantaged students at post-16 performed well above average

Falmouth MAT has a community focus the use of facilities. Facilities at Falmouth MAT are used by both the

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

school and the local community throughout the year. Facilities are open from 6:00am until 10:00pm and offer a range of opportunities for the local community. The MAT also offers a subsidised rate for usage for local groups who have a longer term rental history with the MAT with a high percentage of group membership being MAT children.

Falmouth MAT has ensured that the improvement areas identified in 2018/19 are key priorities within the Interim MAT improvement plan for 2019/20.

Trade union facility time
Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent of facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£ -
Total pay bill	£ -
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Key Performance Indicators

The key performance indicator (KPI) is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) is closely monitored. At the year end, the GAG carried forward balance was £1,428,311, of which £1,228,564 was brought forward from previous years.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers across the Academy Trust for 2019 are 1,758, a decline of 23 from 2018.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019 this was 87.2% compared to 87.6% in 2018.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the Going Concern basis in preparing the financial statements. Further details regarding the adoption of the Going Concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Financial Review

The Academy derives the majority of its income from the Department for Education (DfE) through the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated

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

expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2019, total expenditure of £9,296,118 was covered by recurrent grant funding from the DfE, together with other incoming resources totalling £9,318,378 the excess of income over expenditure for the year (excluding restricted fixed asset funds) was £189,203.

At 31 August 2019 the net book value of fixed assets was £26,248,974 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were valued by ESFA in 2012 at £12,390,110. Other assets have been included in the financial statements at a best estimate, considering purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

A reserve of £1,119,316 is held within the unrestricted funds to provide protection against unforeseen financial risk, such as future trends in pupil intake across the schools within the MAT and also any changes to the funding mechanisms used to determine allocations of GAG and the Post 16 provision.

Total reserves of the MAT amount to £26,845,102, although £26,617,532 of this represents fixed assets and unspent capital restricted funds. The remaining balance includes £2,786,000 of pension deficit and £1,119,316 of unrestricted funds and this is the balance that the Trustees monitor in accordance with the Boards reserves policy.

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

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise

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

return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Director of Finance within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the MAT has considerable reliance on continued Government funding through the ESFA. The majority of the MAT's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the MAT's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the MAT is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student success and achievement are closely monitored and reviewed. Falmouth School was judged as having serious weaknesses in May 2019 mainly for leadership and management. Teaching and learning were judged as good though.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the MAT is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The MAT has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Re-brokering of the trust – The Regional School's Commissioner has informed the trust the it is likely to be re-brokered from September 2020, the decision being made in February 2020. As result during the later part of 2019, the trust lost central services staff some of whom were of a senior level.

The MAT has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the MAT is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risks still remain, they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every month and term. They review performance against budgets and overall expenditure by means of regular update reports at all Resources Committee meetings.

At the year end, the MAT had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The MAT's many schools participate in fundraising activities for specific charities where the income received is paid in full to the charity, for example Sport Relief or Children in Need. The recipient of the donations is made clear to parents in advance and all contributions are voluntary. Where a school has a friends or parent teacher association which actively raises funds on its behalf, the association's fundraising standards are defined in its constitution and it works closely with the head of school to ensure its approach is consistent with the school's values. Associations with an annual income of more than £5,000 are required to register as a charity with the Charity Commission. The MAT does not work with, or have any oversight of, any commercial participators or professional fundraisers. No complaints have been received in the year regarding fundraising activities.

PLANS FOR FUTURE PERIODS

The MAT will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The MAT will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The MAT will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The MAT now provides a formal working partnership structure across the partner schools. The MAT consists of three locally based schools; Falmouth School, King Charles School and St Francis School.

The MAT will continue to strive to provide the most effective and efficient service and maintain the best possible outcomes for our children both across the partnership and across the local community.

Further, the MAT will continue to aim to attract the highest quality staff for both the teaching and non teaching requirements of our work.

The MAT has implemented the new 'Shared Service' across all three schools to support each partner in both day to day organisation and setting the longer-term strategy. Whilst the focus of this work has been specifically within the non teaching part of the MAT, the opportunities to strengthen and develop the work of the teaching staff across the partnership has also resulted in a number of opportunities to be both further implemented and explored in greater depth.

Within the Shared Service, non teaching partnership work is now undertaken in the areas of finance processing, finance quality assurance, estates management and development, IT infrastructure maintenance and development, governance support, leadership support and library provision

The close and effective work of the partnership can also be evidenced in increased opportunities to further support the pastoral and teaching structures across the partner schools. Joint work is now undertaken in staff training and professional development, safeguarding, the work of TA's, inclusion, behaviour management, attendance and admissions, the development of a teaching model, data tracking and leadership.

Across our governance structures the significant advantages of working together can also be evidenced. New systems of accountability, school improvement and school evaluation have been introduced to ensure our children are receiving the very best education we can deliver.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity or organisation.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Falmouth MAT accepts all applications on merit. Any member of staff who becomes disabled whilst in employment is initially referred through to Occupational Health and their evaluation report and assessment used

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

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

to facilitate the best provision and way forward to allow the member of staff to continue in post. All training, progression and professional development are undertaken through the annual use of the various Performance Review structures utilised within Falmouth MAT.

TRUSTEES INDEMNITIES

There were no third-party indemnity provisions during the year ending 31 August 2019.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

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

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



**Mr P Orwin
Chair of Trustees**

19-12-19



**Mr M Lees
Interim CEO**

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Falmouth MAT 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 Falmouth MAT and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

'Stability, Improving and Managing Transitions' This was the focus of the Trust Board as the academic year 2018/19 concluded.

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 appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- **Identifying the areas for improvement**
- **Address the key areas for improvement** following the OFSTED inspection at Falmouth School in May 2019.
- **Continue to improve education results**
- **Safeguarding** – ensuring all three schools keep children safe following the expectations of the KCSIE September 2019 documentation.

Falmouth MAT are committed to ensuring that all children are safe, happy and reach their full potential and that all results exceed national average and our focus is to continue to improve and ensure that students achieve their potential.

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 Falmouth MAT for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

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 9 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr A Williams, Chair	5	6
Mr D Nicoll, Vice Chair	4	7
Mrs S Godzicz	6	7
Mr M Griffiths	6	7
Mr R Wilson	7	7
Mr P Orwin, Chair	2	2
Mrs K Bond, Vice Chair	2	2
Canon W Stuart-White	2	2
Mr D Baker	1	1
Mrs B Hale	1	1
Mr M Thomson	1	1

Details of the Trustees who served throughout the year except as noted in the updated Committee Structure on Page 1.

On the 12th July 2019, the composition of the Board changed. The new Trustees commissioned a Full External Review of Governance on 12th July 2019 and this will inform the Governance structure moving forwards, as noted on page 4 of the Trustees report.

The Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to to oversee all matters relating to resources, staffing, policy, premises, compliance and regulation.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Godzicz	2	3
Mr M Griffiths	2	3
Mr R Wilson	3	3

The Standards Committee is also a sub-committee of the main Board of Trustees. Its purpose is to monitor the effectiveness of teaching and learning, school improvement, safeguarding, ethos and values.

During the year 2 Trustees were on the committee. The committee is made up of trustees, local governors, and members of the executive team.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Nicoll	2	2
Mr A Williams	2	2

GOVERNANCE STATEMENT (CONTINUED)

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 Operations 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 Trustees appointed Bishop Fleming LLP from August 2019 onwards to carry out specific checks and a quality assurance report was provided to the new Trustees in September 2019.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a semi-annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Board of Trustees are addressing matters raised by Bishop Fleming LLP. However, no significant control issues were identified.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive 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 internal reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Operations Committee and a plan to address weaknesses or points of action notified and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mr P Orwin
Chair of Trustees
Date: 19/12/19



Mr M Lees
Accounting Officer

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Falmouth MAT I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



Mr M Lees

Accounting Officer

Date: 19/12/19

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr P Orwin
Chair of Trustees

Date: 19/12/19.

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FALMOUTH MAT**

OPINION

We have audited the financial statements of Falmouth MAT (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FALMOUTH MAT (CONTINUED)**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FALMOUTH MAT (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

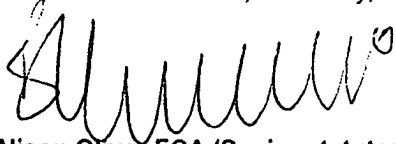
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Oliver FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Date:

19/12/19

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FALMOUTH MAT AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Falmouth MAT during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Falmouth MAT and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Falmouth MAT and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Falmouth MAT and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF FALMOUTH MAT'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Falmouth MAT's funding agreement with the Secretary of State for Education dated July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

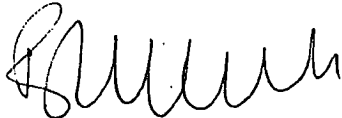
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FALMOUTH
MAT AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alison Oliver FCA

Bishop Fleming LLP
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Date: 19/12/19

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	13,311	-	339,712	353,023	10,056,568
Charitable activities	4	299,804	8,360,018	229,444	8,889,266	8,428,515
Other trading activities		70,660	-	-	70,660	35,267
Investments	7	5,429	-	-	5,429	2,273
TOTAL INCOME		389,204	8,360,018	569,156	9,318,378	18,522,623
EXPENDITURE ON:						
Raising funds		4,535	-	-	4,535	2,233
Charitable activities		565,483	7,990,001	736,099	9,291,583	8,878,809
TOTAL EXPENDITURE		570,018	7,990,001	736,099	9,296,118	8,881,042
NET (EXPENDITURE)/INCOME		(180,814)	370,017	(166,943)	22,260	9,641,581
Transfers between funds	20	(308,638)	(275,380)	584,018	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(489,452)	94,637	417,075	22,260	9,641,581
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	26	-	(680,000)	-	(680,000)	519,000
NET MOVEMENT IN FUNDS RECONCILIATION OF FUNDS:		(489,452)	(585,363)	417,075	(657,740)	10,160,581
Total funds brought forward		1,608,768	(306,383)	26,200,457	27,502,842	17,342,261
Net movement in funds		(489,452)	(585,363)	417,075	(657,740)	10,160,581
TOTAL FUNDS CARRIED FORWARD		1,119,316	(891,746)	26,617,532	26,845,102	27,502,842

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

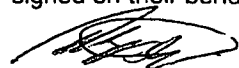
The notes on pages 30 to 60 form part of these financial statements.

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07695977

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	26,248,973	25,627,894
		<u>26,248,973</u>	<u>25,627,894</u>
CURRENT ASSETS			
Stocks	16	17,857	11,322
Debtors	17	916,948	1,029,332
Cash at bank and in hand		3,103,861	3,493,501
		<u>4,038,666</u>	<u>4,534,155</u>
Creditors: amounts falling due within one year	18	(656,538)	(813,207)
NET CURRENT ASSETS		<u>3,382,128</u>	<u>3,720,948</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>29,631,101</u>	<u>29,348,842</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>29,631,101</u>	<u>29,348,842</u>
Defined benefit pension scheme liability	26	(2,786,000)	(1,846,000)
TOTAL NET ASSETS		<u><u>26,845,101</u></u>	<u><u>27,502,842</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	20	26,617,532	26,200,457
Restricted income funds	20	1,894,254	1,539,617
		<u>28,511,786</u>	<u>27,740,074</u>
Restricted funds excluding pension asset	20	28,511,786	27,740,074
Pension reserve	20	(2,786,000)	(1,846,000)
Total restricted funds	20	<u>25,725,786</u>	<u>25,894,074</u>
Unrestricted income funds	20	<u>1,119,315</u>	<u>1,608,768</u>
TOTAL FUNDS		<u><u>26,845,101</u></u>	<u><u>27,502,842</u></u>

The financial statements on pages 27 to 60 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:


Mr P Orwin
 Chair of Trustees

19-12-19

The notes on pages 30 to 60 form part of these financial statements.


Mr M Lees
 Accounting Officer

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	722,362	10,766,333
CASH FLOWS FROM INVESTING ACTIVITIES	23	(1,112,002)	(12,314,580)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(389,640)	(1,548,247)
Cash and cash equivalents at the beginning of the year		3,493,501	5,041,748
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	<u>3,103,861</u>	<u>3,493,501</u>

The notes on pages 30 to 60 form part of these financial statements

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Falmouth MAT meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

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

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 EXPENDITURE

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

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

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- Over the term of the lease, with a maximum of 50 years on buildings
Office equipment	- 25% straight line
Assets under construction	- N/A

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 STOCKS

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

1.9 DEBTORS

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

1.10 CASH AT BANK AND IN HAND

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

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

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 OPERATING LEASES

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

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

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 AGENCY ARRANGEMENTS

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

1.16 FUND ACCOUNTING

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

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS					
Transfers on conversion	-	-	-	-	9,977,247
SUBTOTAL DETAILED DISCLOSURE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,977,247</u>

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS (CONTINUED)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	13,311	-	-	13,311	3,594
Capital Grants	-	-	339,712	339,712	62,887
Grants	-	-	-	-	12,841
SUBTOTAL	13,311	-	339,712	353,023	79,322
	<u>13,311</u>	<u>-</u>	<u>339,712</u>	<u>353,023</u>	<u>10,056,569</u>
TOTAL 2018	687,403	(727,900)	10,097,066	10,056,569	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	238,531	8,589,462	8,827,993	8,347,133
Nursery	61,273	-	61,273	81,382
	<u>299,804</u>	<u>8,589,462</u>	<u>8,889,266</u>	<u>8,428,515</u>
TOTAL 2018	249,699	8,178,816	8,428,515	

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA grants				
General Annual Grant	-	7,689,551	7,689,551	7,314,544
Other DfE Group grants	-	487,531	487,531	557,425
Other capital grants	-	229,444	229,444	121,016
	-	8,406,526	8,406,526	7,992,985
Other Government grants				
High Needs	-	2,114	2,114	6,000
Local Authority grants	-	73,920	73,920	70,576
	-	76,034	76,034	76,576
Other funding				
Income for hosting trainee teachers	22,529	-	22,529	20,525
Sales to students	4,049	-	4,049	5,084
Other	211,953	106,902	318,855	251,963
	238,531	106,902	345,433	277,572
	238,531	8,589,462	8,827,993	8,347,133
TOTAL 2018	168,317	8,178,816	8,347,133	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	70,645	70,645	35,162
Copy shop	14	14	105
	70,659	70,659	35,267

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	5,429	5,429	2,273

All prior year amounts relate to unrestricted funds.

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	4,535	4,535	2,233
Support costs	-	-	-	-	-
Education:					
Direct costs	6,183,057	497,514	642,976	7,323,547	6,763,853
Support costs	584,325	368,016	951,548	1,903,889	2,042,693
Nursery:					
Direct costs	63,844	-	-	63,844	70,380
Support costs	-	1,303	-	1,303	1,883
	6,831,226	866,833	1,599,059	9,297,118	8,881,042
TOTAL 2018	6,492,479	1,404,980	983,583	8,881,042	

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	7,323,547	1,903,889	9,227,436	8,806,547
Nursery	63,844	1,303	65,147	72,262
	<u>7,387,391</u>	<u>1,905,192</u>	<u>9,292,583</u>	<u>8,878,809</u>
TOTAL 2018	<u>6,834,233</u>	<u>2,044,576</u>	<u>8,878,809</u>	

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance costs	39,000	-	39,000	38,500
Staff costs	6,056,198	63,844	6,120,042	5,636,044
Depreciation	674,247	-	674,247	553,160
Educational supplies	166,536	-	166,536	252,664
Examination fees	91,731	-	91,731	96,294
Staff development	31,059	-	31,059	17,655
Other costs	135,710	-	135,710	159,057
Supply teachers	126,859	-	126,859	80,184
Educational consultancy	2,207	-	2,207	675
	<u>7,323,547</u>	<u>63,844</u>	<u>7,387,391</u>	<u>6,834,233</u>
TOTAL 2018	<u>6,763,854</u>	<u>70,379</u>	<u>6,834,233</u>	

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance costs	17,000	-	17,000	16,500
Staff costs	584,061	-	584,061	771,115
Depreciation	61,852	-	61,852	70,825
Other costs	83,452	-	83,452	43,194
Supply staff	264	-	264	5,136
Recruitment and support	9,038	-	9,038	7,799
Maintenance of premises and equipment	162,313	-	162,313	155,054
Cleaning	239,063	-	239,063	246,507
Rent and rates	91,526	1,303	92,829	84,644
Energy costs	143,363	-	143,363	118,468
Insurance	55,642	-	55,642	89,519
Security and Transport	55,343	-	55,343	50,590
Catering	160,557	-	160,557	155,319
Technology costs	76,550	-	76,550	90,959
Office overheads	49,399	-	49,399	44,207
Legal and professional	50,262	-	50,262	62,926
Bank interest and charges	1,955	-	1,955	192
Profit on disposal	(275)	-	(275)	-
PFI charges	-	-	-	6,841
Governance	62,524	-	62,524	24,781
	<u>1,903,889</u>	<u>1,303</u>	<u>1,905,192</u>	<u>2,044,576</u>
TOTAL 2018	<u>2,042,693</u>	<u>1,883</u>	<u>2,044,576</u>	

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	55,231	52,332
Depreciation of tangible fixed assets	715,640	623,985
Fees paid to auditors for:		
- audit	4,500	3,100
- other services	11,584	11,280
	<u>11,584</u>	<u>11,280</u>

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,146,505	4,856,489
Social security costs	475,192	444,193
Pension costs	1,082,406	1,067,227
	<u>6,704,103</u>	<u>6,367,909</u>
Agency staff costs	127,123	85,320
Staff restructuring costs	-	39,250
	<u>6,831,226</u>	<u>6,492,479</u>

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

During the year, severance payments totalling £nil were paid (2018: £39,250 to 4 employee).

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

11. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	95	84
Administration and support	129	112
Management	17	14
	<hr/>	<hr/>
	241	210
	<hr/>	<hr/>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	87	74
Administration	73	65
Management	17	14
	<hr/>	<hr/>
	177	153
	<hr/>	<hr/>

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

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

11. STAFF COSTS (CONTINUED)

d. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	6	2
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

Contributions to pension schemes in respect of the above staff members during the year were £95,178 (2018: £51,218).

The increased in numbers above is due to teaching staff receiving standard scale pay approved increases.

e. Key Management Personnel

The key management personnel of the MAT comprise the trustees and the Strategic MAT Team listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the academy was £788,067 (2018: £335,941).

12. CENTRAL SERVICES

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

- Finance and Human Resources
- IT Services
- Premises

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

9% of the academy's GAG income is charged as a contribution to the central costs.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Falmouth School	441,382	218,460
King Charles Primary	137,839	72,710
St Francis CofE Primary	140,205	73,117
TOTAL	719,426	364,287

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

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £896 (2018 - £896). The cost of this insurance is included in the total insurance cost.

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2018	24,845,104	2,538,700	764,380	380,964	28,529,148
Additions	677,910	607,801	23,055	49,638	1,358,404
Disposals	-	-	(4,900)	-	(4,900)
Transfers between classes	3,146,501	(3,146,501)	-	-	-
At 31 August 2019	28,669,515	-	782,535	430,602	29,882,652
DEPRECIATION					
At 1 September 2018	2,092,236	-	545,330	263,688	2,901,254
Charge for the year	548,142	-	113,814	74,143	736,099
On disposals	-	-	(3,675)	-	(3,675)
At 31 August 2019	2,640,378	-	655,469	337,831	3,633,678
NET BOOK VALUE					
At 31 August 2019	26,029,137	-	127,066	92,771	26,248,974
At 31 August 2018	22,752,868	2,538,700	219,050	117,276	25,627,894

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

16. STOCKS

	2019 £	2018 £
Educational materials	17,857	11,322

17. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	12,015	156,918
Other debtors	3,941	1,209
Prepayments and accrued income	239,846	124,261
Tax recoverable	661,146	746,944
	<u>916,948</u>	<u>1,029,332</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	155,092	321,386
Other taxation and social security	111,570	107,477
Other creditors	136,957	123,867
Accruals and deferred income	252,919	260,477
	<u>656,538</u>	<u>813,207</u>

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

19. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets that are debt instruments measured at amortised cost	195,871	241,182
	<u>195,871</u>	<u>241,182</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	367,486	532,033
	<u>367,486</u>	<u>532,033</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and accrued income.

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

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

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	933,768	389,203	(570,018)	(308,638)	-	444,315
Funds earmarked for school improvement	675,000	-	-	-	-	675,000
	<u>1,608,768</u>	<u>389,203</u>	<u>(570,018)</u>	<u>(308,638)</u>	<u>-</u>	<u>1,119,315</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,428,311	6,823,091	(6,177,710)	(302,358)	-	1,771,334
Pupil Premium	-	386,283	(386,283)	-	-	-
Universal Infant Free School Meals	-	54,461	(81,439)	26,978	-	-
Jeffery Governors	10,061	-	-	-	-	10,061
Other restricted funds	34,710	106,902	(97,407)	-	-	44,205
Other Private fund	100	-	-	-	-	100
SouthShore	16,435	-	-	-	-	16,435
SEN TA reserve	50,000	-	-	-	-	50,000
Rates relief	-	47,612	(45,493)	-	-	2,119
Year 7 catch up	-	7,760	(7,760)	-	-	-
Teachers pay grant	-	67,831	(67,831)	-	-	-
PE & Sports	-	39,027	(39,027)	-	-	-
16-19 allocation	-	751,017	(751,017)	-	-	-
LA SEN	-	50,034	(50,034)	-	-	-
Headstart	-	26,000	(26,000)	-	-	-
Pension reserve	(1,846,000)	-	(260,000)	-	(680,000)	(2,786,000)
	<u>(306,383)</u>	<u>8,360,018</u>	<u>(7,990,001)</u>	<u>(275,380)</u>	<u>(680,000)</u>	<u>(891,746)</u>

FALMOUTH MAT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	20,170,501	-	(521,841)	-	-	19,648,660
Fixed assets purchased from GAG and other restricted funds	118,582	61,208	(66,475)	243,449	-	356,764
Fixed assets purchased from DFC	86,039	54,690	(3,013)	-	-	137,716
DFC unspent	231,074	40,451	-	-	-	271,525
Fixed assets purchased from CIF	252,943	112,479	(7,460)	-	-	357,962
CIF unspent	9,156	70,884	-	16,992	-	97,032
Fixed assets purchased from PFI	1,518,956	-	(35,735)	117,467	-	1,600,688
Sports Hub Development	3,363,407	229,444	(101,575)	655,909	-	4,147,185
Funds committed to Sports Development Hub	449,799	-	-	(449,799)	-	-
	<u>26,200,457</u>	<u>569,156</u>	<u>(736,099)</u>	<u>584,018</u>	<u>-</u>	<u>26,617,532</u>
TOTAL RESTRICTED FUNDS	<u>25,894,074</u>	<u>8,929,174</u>	<u>(8,726,100)</u>	<u>308,638</u>	<u>(680,000)</u>	<u>25,725,786</u>
TOTAL FUNDS	<u>27,502,842</u>	<u>9,318,377</u>	<u>(9,296,118)</u>	<u>-</u>	<u>(680,000)</u>	<u>26,845,101</u>

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

Unrestricted Funds

The Trustees earmarked £675,000 towards school improvement work to be carried out.

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

20. STATEMENT OF FUNDS (CONTINUED)

Restricted Funds

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

Pupil Premium - Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Jeffrey Governors - Funding transferred from the Private fund to be used to fund specific support areas.

South Shore Education Partnership - Funding received for specific educational specialism.

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

Fixed Asset Funds

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy. The balance at the period end represents the net book value of assets capitalised.

Fixed assets purchased from GAG and other restricted funds - These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the net book value of assets capitalised.

Fixed assets purchased from DFC - These funds were received for direct expenditure on fixed asset projects. The balance at the period end represents the net book value of assets capitalised.

Sports Hub Development - This fund was set up in 2014 following the Trustees decision to develop a new Sports Hub for the Academy Trust. The funds have been released following the purchase of the former Budock Hospital site. As at the year end a balance of £449,799 was transferred from Funds Committed to Sports Development Hub, for the final additions made to the Sports Hub Development in the year.

Fixed assets purchased from PFI - This represents the funds received from the Local Authority for the maintenance and improvement of buildings required in addition to the PFI maintenance agreement entered in to on conversion. The balance at the period end represents the net book value of assets capitalised.

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

20. STATEMENT OF FUNDS (CONTINUED)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Falmouth School	1,901,021	2,137,922
King Charles Primary	536,401	537,487
St Francis CofE Primary	576,147	416,664
Shared Services	-	56,312
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,013,569	3,148,385
Restricted fixed asset fund	26,617,532	26,200,457
Pension reserve	(2,786,000)	(1,846,000)
	<hr/>	<hr/>
TOTAL	26,845,101	27,502,842
	<hr/>	<hr/>

FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)

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

20. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Falmouth School	3,690,273	367,453	330,717	528,052	4,916,495	4,590,121
King Charles Primary	1,248,374	82,571	126,075	366,186	1,823,206	1,773,341
St Francis CofE Primary	1,037,395	73,640	103,127	346,156	1,560,318	1,607,594
ACADEMY TRUST	5,976,042	523,664	559,919	1,240,394	8,300,019	7,971,056

FALMOUTH MAT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	442,200	974,641	(74,495)	(408,578)	-	933,768
Funds earmarked for school improvement	-	-	-	675,000	-	675,000
	<u>442,200</u>	<u>974,641</u>	<u>(74,495)</u>	<u>266,422</u>	<u>-</u>	<u>1,608,768</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,228,564	7,314,544	(7,159,424)	44,627	-	1,428,311
Pupil Premium	-	387,689	(387,689)	-	-	-
Universal Infant Free School Meals	-	120,957	(120,957)	-	-	-
Jeffery Governors	10,066	-	(5)	-	-	10,061
Other restricted funds	18,645	237,711	(228,487)	6,841	-	34,710
Other Private fund	100	-	-	-	-	100
SouthShore	16,435	-	-	-	-	16,435
SEN TA reserve	-	50,000	-	-	-	50,000
Rates relief	-	50,000	-	(50,000)	-	-
Pension reserve	(1,248,000)	(831,000)	(286,000)	-	519,000	(1,846,000)
	<u>25,810</u>	<u>7,329,901</u>	<u>(8,182,562)</u>	<u>1,468</u>	<u>519,000</u>	<u>(306,383)</u>

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

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	10,921,829	10,001,011	(521,841)	(230,498)	-	20,170,501
Fixed assets purchased from GAG and other restricted funds	100,223	-	(59,280)	77,639	-	118,582
Fixed assets purchased from DFC	76,640	11,574	(1,919)	(256)	-	86,039
DFC unspent	153,179	77,639	-	256	-	231,074
Fixed assets purchased from CIF	115,751	-	(5,210)	142,402	-	252,943
CIF unspent	151,558	-	-	(142,402)	-	9,156
Fixed assets purchased from PFI	1,645,334	6,841	(35,735)	(97,484)	-	1,518,956
Sports Hub Development	1,173,837	121,016	-	2,068,554	-	3,363,407
Funds committed to Sports Development Hub	2,535,900	-	-	(2,086,101)	-	449,799
	<u>16,874,251</u>	<u>10,218,081</u>	<u>(623,985)</u>	<u>(267,890)</u>	<u>-</u>	<u>26,200,457</u>
TOTAL RESTRICTED FUNDS	<u>16,900,061</u>	<u>17,547,982</u>	<u>(8,806,547)</u>	<u>(266,422)</u>	<u>519,000</u>	<u>25,894,074</u>
TOTAL FUNDS	<u><u>17,342,261</u></u>	<u><u>18,522,623</u></u>	<u><u>(8,881,042)</u></u>	<u><u>-</u></u>	<u><u>519,000</u></u>	<u><u>27,502,842</u></u>

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	26,248,973	26,248,973
Current assets	1,701,927	1,968,181	368,559	4,038,667
Creditors due within one year	(582,612)	(73,927)	-	(656,539)
Provisions for liabilities and charges	-	(2,786,000)	-	(2,786,000)
TOTAL	1,119,315	(891,746)	26,617,532	26,845,101

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	25,627,894	25,627,894
Current assets	2,304,507	1,539,617	690,030	4,534,154
Creditors due within one year	(695,739)	-	(117,467)	(813,206)
Provisions for liabilities and charges	-	(1,846,000)	-	(1,846,000)
TOTAL	1,608,768	(306,383)	26,200,457	27,502,842

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NOTES TO THE FINANCIAL STATEMENTS
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22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	22,260	9,641,581
ADJUSTMENTS FOR:		
Depreciation charges	736,100	623,985
Capital grants from DfE and other capital income	(339,712)	(62,887)
Defined benefit pension scheme obligation inherited	-	831,000
Defined benefit pension scheme cost less contributions payable	205,000	231,000
Defined benefit pension scheme finance cost	55,000	55,000
(Increase)/decrease in stocks	(6,535)	7,947
Decrease/(increase) in debtors	212,623	(802,526)
(Decrease)/increase in creditors	(156,670)	243,506
Dividends, interest and rents from investments	(5,429)	(2,273)
(Profit)/Loss on disposal	(275)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	722,362	10,766,333

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	5,429	2,273
Proceeds from the sale of intangible assets	1,500	-
Purchase of tangible fixed assets	(1,358,404)	(2,378,729)
Capital grants from DfE Group	239,473	62,887
Transferred on conversion	-	(10,001,011)
NET CASH USED IN INVESTING ACTIVITIES	(1,112,002)	(12,314,580)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	2,663,862	3,043,702
Unspent capital funds/ earmarked funds	439,999	449,799
TOTAL CASH AND CASH EQUIVALENTS	3,103,861	3,493,501

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

25. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted for but not provided in these financial statements	-	449,800

26. PENSION COMMITMENTS

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

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

Contributions amounting to £104,998 were payable to the schemes at 31 August 2019 (2018 - £98,413) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

26. PENSION COMMITMENTS (CONTINUED)

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

The employer's pension costs paid to TPS in the year amounted to £585,489 (2018 - £564,524).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £372,224 (2018 - £344,285), of which employer's contributions totalled £292,041 (2018 - £271,308) and employees' contributions totalled £ 80,183 (2018 - £72,977). The agreed contribution rates for future years are 20.9 per cent for employers and 5.5 - 7.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.40	2.50
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.30	2.40

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

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

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

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,548,000	1,938,000
Bonds	1,875,000	1,701,000
Property	337,000	277,000
Cash	48,000	40,000
TOTAL MARKET VALUE OF ASSETS	4,808,000	3,956,000

The actual return on scheme assets was £115,000 (2018 - £104,000).

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

	2019 £	2018 £
Current service cost	(491,000)	(502,000)
Interest income	115,000	90,000
Interest cost	(170,000)	(145,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(546,000)	(557,000)

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

	2019 £	2018 £
AT 1 SEPTEMBER	5,802,000	3,709,000
Conversion of academy trusts	-	1,824,000
Current service cost	491,000	502,000
Interest cost	170,000	145,000
Employee contributions	80,000	73,000
Actuarial gains	1,090,000	(415,000)
Benefits paid	(45,000)	(36,000)
Past service costs	6,000	-
AT 31 AUGUST	7,594,000	5,802,000

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

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

	2019 £	2018 £
AT 1 SEPTEMBER	3,956,000	2,461,000
Conversion of academy trusts	-	993,000
Interest income	115,000	90,000
Actuarial losses	410,000	104,000
Employer contributions	292,000	271,000
Employee contributions	80,000	73,000
Benefits paid	(45,000)	(36,000)
AT 31 AUGUST	4,808,000	3,956,000

27. OPERATING LEASE COMMITMENTS

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

	2019 £	2018 £
Amounts payable		
Not later than 1 year	43,516	52,505
Later than 1 year and not later than 5 years	31,236	71,525
	74,752	124,030

28. MEMBERS' LIABILITY

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

29. GENERAL INFORMATION

Falmouth MAT is a private company, limited by shares, domiciled in England and Wales, registration number 07695977. The registered office is Trescobeas Road, Falmouth, Cornwall, TR11 4LH.

**FALMOUTH MAT
(A COMPANY LIMITED BY GUARANTEE)**

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

30. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee 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.

31. POST BALANCE SHEET EVENTS

Following the year end the MAT has been involved in a re-brokering and may be joining another MAT during the 2019/20 financial year.

32. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting year ending 31 August 2018 the Academy received £24,909 and dispersed £17,594 from the fund. An amount of £31,559 (2018: £24,244) is included in other creditors relating to undistributed funds that is repayable to the ESFA.