

Collse.

Keskowethyans Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

Registration number: 08872161



Keskowethyans Multi Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees Report	3 to 12
Governance Statement	13 to 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 to 20
Independent Reporting Accountant's Assurance Report on Regularity	21 to 22
Statement of Financial Activities incorporating Income and Expenditure Account	23 to 24
Balance Sheet	25
Cash Flow Statement	26
Notes to the Financial Statements	27 to 52

Keskowethyans Multi Academy Trust

Reference and Administrative Details

Members	Ms J Kearsley Ms B J Pearson Askel Veur The Diocese of Truro Academies Umbrella Company Limited
Governors and Trustees (Directors)	Mrs P Miller, (Chair) Mrs M Mita, (Vice Chair) Mr T Harman, (Headteacher) Miss W Prescott, (Assistant Headteacher) Mr C Martin (resigned 27 April 2015) Mr C Sealey Rev P Sharpe Mr M Bayliss (resigned 12 October 2015) Mr C Hosken Ms J A Halliday Mr P Relton Mr M Lever Mr T Luddington (resigned 16 July 2015) Mrs J Dudley (appointed 15 July 2015)
Company Secretary	Mrs Sarah Lyne
Senior Management Team	Mr T Harman, Headteacher Miss W Prescott, Assistant Headteacher Mrs S Lyne, Business Manager
Principal and Registered Office	St Keverne Primary School School Hill Helston Cornwall TR12 6NQ
Company Registration Number	08872161
Auditors	Francis Clark LLP Lowin House Tregolls Road Truro Cornwall TR1 2NA

Keskowethyans Multi Academy Trust

Reference and Administrative Details (continued)

Bankers	Lloyds Bank PLC 1 Market Place Helston Cornwall TR13 8SU
Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1UP

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The comparative figures represent the period from conversion on 1 March 2014 to 31 August 2014. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates 5 primary academies in the Lizard area of Cornwall. Its academies have a combined pupil capacity of 324 and had a roll of 210 in the school census on 1 October 2015.

Structure, governance and management

Constitution

The Multi Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors act as the Trustees for the charitable activities of Keskowethyans Multi Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Keskowethyans Multi Academy Trust.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

Trustees are appointed in accordance with the Articles of Association and the DfE Funding Agreement of the Keskowethyans Multi Academy Trust, including three foundation directors, appointed by Askel Veur. Local governing bodies work informally within their previous federations having regard to the Board's scheme of delegation, method of appointment and representation on their local groups.

The Board is currently re-visiting the role of the local governing bodies in the light of diminishing numbers of volunteers and a general lack of interest. The Board feels this is due to the now informal nature of the groups as many of their members were previously statutory governors. It is most important that the Board has representatives at local level who will have a specific role within each school in monitoring and delivering the School's Action Plan and associated educational tasks.

Policies and procedures adopted for the induction and training of trustees

The Multi Academy Trust has an appointed a trustee with overall responsibility for the training and induction of new and existing trustees. Policies for dealing with this aspect of the Board's work are in progress and will be developed in conjunction with the Clerk to the trustees. A majority of presently appointed members of the Board have been members of their local governing bodies and individually have significant skills and experience in primary education.

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Organisational structure

The Board usually meets twice a term, but will convene extra meetings where necessary. The Board establishes an overall framework for the governance of the Multi Academy Trust and determines membership, terms of reference and procedures of committees and other groups.

The Headteacher is the Accounting Officer. The Headteacher, senior leadership team and staff are responsible for the day to day running of the school and all operational decisions.

Committees have been established to monitor and advise on various aspects of the Board's work; Curriculum, Personnel, Finance and Premises. Members of these committees are drawn from the Board and local governing bodies normally meet once a term. Local governing bodies have been established, working within the terms of the Trust's scheme of delegation, and also normally meet once a term. The Board receives termly reports from both committees and local governing bodies. Policies are reviewed in committee and presented for ratification to the Board in accordance with the prescribed schedule of review.

Risk management

The Trustees are responsible for the management of the risks faced by the Trust. A Risk Register has been established as defined in the Academies Financial Handbook, to evaluate strategic and reputational, operational, compliance and financial risks to which the Trust is exposed. This forms the basis of a formal risk management process to assess risks and to implement risk management strategies. Actions taken and those required to be taken to control these risks are noted throughout the year. Major risks have been identified and systems have been developed to regularly monitor, review and control all risks in order to mitigate any future impact they may have on the Trust.

Risks appropriate to the Board and each committee are reviewed regularly at their meetings.

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Objectives and activities

Objects and aims

The Trust's principal object and activity is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum.

The central aims of the Keskowethyans Multi Academy Trust are:

- To provide a well resourced and rich school based learning environment;
- To provide opportunities for children and staff to maximize potential;
- To provide an inclusive school community with a deep sense of belonging;
- To become outstanding academies;
- To provide rapid and sustained improvement in the standard of educational attainment and achievement of all pupils;
- To embed high quality leadership in each of the five schools;
- To provide a broad and balanced curriculum across the Multi Academy Trust;
- To ensure each pupil enjoys the same high quality education;
- To ensure the needs of all learners are effectively met;
- To develop greater coherence, clarity and effectiveness across the individual schools and the Multi Academy Trust as a whole;
- To comply with all statutory requirements;
- To develop the ethos of each individual school and the Multi Academy Trust as a whole;
- To conduct the Multi Academy Trust's business in accordance with the highest standards of integrity, probity and openness;
- To provide value for money.

Objectives, strategies and activities

Key priorities are contained within the Keskowethyans Multi Academy Trust Improvement Plan, supported by school-specific Action Plans, for English, Maths and Early Years. Areas for improvement have been identified by recent OFSTED Inspections of all five schools. Key areas for improvement, in 2014/2015 include:

- Continued focus on raising standards of attainment, with a clear focus on higher attainers – an increased number of Level 3s and Level 5s;
- Developing greater independence in learners;
- Providing greater consistency in the quality of marking and feedback;
- Improving the quality of the learning environment, particularly in two of the schools;
- To continue to focus on attendance and punctuality;
- To continue to enhance communication systems with parents and the local community;
- To continue to streamline financial and administrative systems to achieve greater efficiencies.

In the interest of providing pleasant and up to date learning spaces, modular buildings have been acquired for two of the schools with the benefit of funding from the DfE. These buildings replaced two which were in extremely poor condition. It is hoped that the Board will be able to continue a programme of upgrading buildings and conditions at the other three schools.

Public benefit

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

Achievements and performance

The five schools which comprise the Keskowethyans Multi Academy Trust (Coverack Community Primary School, Grade-Ruan Church of England Primary School, Manaccan Primary School, St Keverne Community Primary School and St Martin-in-Meneage Primary School) continue to thrive. Pupil numbers remain stable; in total there are currently 222 pupils across the five Multi Academy Trust schools and 7 additional pupils in the pre-school group at Manaccan which is operated by the Multi Academy Trust. All five schools have within recent years undergone OFSTED Inspections; four out of the five schools have been graded as 'Good', with one 'Requiring Improvement' – St Keverne, although Inspectors noted the rapid and significant improvements that have already been made.

The curriculum on offer at all of the Multi Academy Trust Schools is wide and varied and provides a range of exciting and engaging opportunities for pupils who continued to enjoy wide participation and success in music, sport and performing arts, as well as academically.

The Keskowethyans Multi Academy Trust continues to provide a safe and stimulating environment across all of the schools, with a clear focus on raising standards of attainment and achievement.

End of KS2 results for 2014/15 are included in the tables below:

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

Keskowethyans Multi Academy Trust Year 6 SATs Results 2014/15

Caution: Very small cohorts

L = Level achieved

Level 3 = below national expectations; Level 4 = in line with national expectations; Level 5 = above national expectations; Level 6 = exceptional performance

1 x Level 6 in Maths and Writing (Grade Ruan)

1 x Level 6 in Writing *(St Keverne)

A = Above national average; I = In line with national average; B = Below national average

		Reading [89%]		Writing [85%]		Maths [86%]	
COVERACK [4]	L3/-						
	L4			2 [50%]			
	L5	4 [100%]	A	2 [50%]	A	4 [100%]	A
		100% L4/+	A	100% L4/+	A	100% L4/+	A
GRADE RUAN [16]	L3/-			2 [12.5%]		1 [6%]	
	L4	7 [43%]		9 [56%]		8 [50%]	
	L5	9 [56%]	A	5 [31%]	I	7 [43%]	I
		100% L4/+	A	87% L4/+	I	94% L4/+	A
MANACCAN [8]	L3/-	1 [12.5%]		1 [12.5%]		1 [12.5%]	
	L4	4 [50%]		5 [62.5%]		5 [62.5%] 1 Review	
	L5	3 [37%]	B	2 [25%]	B	2 [25%]	B
		87% L4/+	I	87% L4/+	I	87% L4/+	I
ST KEVERNE [10]	L3/-					1	
	L4	3 [30%]		6 [60%]		6 [60%]	
	L5	7 [70%]	A	3 [30%]	B	3 [30%]	B
		100% L4/+	A	90% L4/+	A	90% L4/+	A
ST MARTIN [4]	L3/-			1 [25%]			
	L4	1 [25%]		2 [50%]		2 [50%]	
	L5	3 [75%]	A	1 [25%]	B	2 [50%]	A
		100% L4/+	A	75% L4/+	B	100% L4/+	A
MAT [42]	L3/-	2 [4.6%]		6 [14%]		4 [9.3%]	
	L4	19 [44%]		24 [56%]		21 [49%]	
	L5	21 [49%]	I	13 [30%]	I	18 [42%]	I
	L4/+	95%	A	86% L4/+	I	91% L4/+	A

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

	Coverack [4]	Grade Ruan [16]	Manaccan [8]	St Keverne [10]	St Martin [4]
Pupil Premium	0	2 – good progress	0	4 – good progress	0
Special Educational Needs and Disabilities (SEND)	0	2 – good progress	1 – good progress	3 – good progress	1 – good progress
Progress of year 6 cohorts	All as expected except as shown below:				
Reading	2 x better than expected	4 x better than expected	1 x better than expected	6 x better than expected	2 x better than expected
Writing	2 x better than expected	4 x better than expected	1 x better than expected	6 x better than expected	1 x better than expected
Maths	4 x better than expected	2 x better than expected		3 x better than expected	2 x better than expected

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

Going concern

After making appropriate enquiries, the Governing Body 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.

Directors were aware that the Academy Budget for the Year 2014/15 would result in an in-year deficit. In order to secure a smooth transition from Maintained to Academy status, the Directors made a decision to continue with the existing pre conversion class set-ups and staffing levels. As a result of a fall in Pupil Numbers the Directors have taken robust action to reduce the number of staff and classes to an appropriate level. This has resulted in the Directors being able to set a surplus budget for 2015/16.

Key performance indicators

This report of the Keskowethyans Multi Academy Trust covers its first full operating year. The trustees have developed a list of key financial and performance indicators which are regularly monitored. These financial indicators will continue to be used in the future to assist the trustees in managing the Trust's financial affairs ensuring efficient operation, liquidity and effective use of resources.

The Trust will set targets in relation to its reserves, ensuring that the Trust meets its reserves policy and is able to manage any unforeseen events. This will also be repeated at individual schools level.

As the Trust grows it will be better able to benchmark budgets and expenditure against a number of criteria, such as staff costs, property costs per school and per pupil.

As funding is based on pupil numbers as at the October pupil count, this is also a key performance indicator. Pupil numbers as at October 2015 were 210. It is anticipated that this number will continue to rise.

Financial review

This review covers the period 1 September 2014 to 31 August 2015

The majority of the Trust's income is derived from the EFA in the form of recurrent, but restricted grants.

At 31 August 2015 the net income (surplus) for the year totalled £508,912 (2014: net income £3,766,000). However, excluding the recognition of land and buildings from the Diocese of Truro in the year, there was a total deficit of £62,761. The level of general restricted and unrestricted reserves held at the year-end date were £42,269 (2014: £223,195) and are shown in note 16 to these financial statements. The reduction in general restricted and unrestricted funds from 2014 is due to greater levels of general restricted and unrestricted expenditure in comparison to income in the year.

At 31 August 2015 the net book value of fixed assets was £4,307,602 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

In the prior period, the land, buildings and other assets were gifted and the right to use granted to the Trust on conversion. Other assets were included in the financial statements at a best estimate, taking into account purchase price and remaining useful life.

The Trust also took on the deficit of the Local Government Pension Scheme in respect of its non teaching staff on conversion. The deficit is incorporated within the Statement of Financial Activities and Balance Sheet with details in note 25 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, Business Manager, budget holders and other staff, as well as delegated authority for spending.

The Trustees adopted a Responsible Officer Policy and appointed Mr Tim Luddington to undertake a regular program of internal checks on the financial controls. The Responsible Officer reported to the Finance Committee. Mr Luddington resigned as a Trustee in the year and the Board is in the process of adopting a new Responsible Officer.

During the financial year the Trust has received £42,828 from the Department for Education through the Pupil Premium funding mechanism. This money has been spent on additional teaching assistant salary costs and other related support costs against the tracked assessed needs of this monitored group.

The Trustees recognise that the staffing costs of the Trust are high. A considered decision has been made to support the key objectives of children achieving at least twelve levels progress from Key Stage 1 to Key Stage 2 and the number of children achieving four points or more in each year group in all subjects. These decisions have also been made to ensure succession planning and to reduce supply costs, therefore improving cost effectiveness and continuity of the staffing structure.

Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, income and budgetary control, backup for key teaching and management staff and maintaining pupil numbers sufficient to ensure schools are viable. The Trustees are in the process of implementing systems to minimize those risks, including internal controls described elsewhere in this report.

The Trust deals only with established banks, cash and trade creditors, all of which are considered to be low risk.

Reserves policy

At the period end date the level of free reserves held by the Multi Academy Trust was £38,219 and are held to provide protection against unforeseen financial risk, for capital investment and to cover operating deficits where necessary.

Investment policy

The policy of the Trust is to take a 'minimal risks' approach with funds being kept in a current account of a UK clearing bank.

Keskowethyans Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

Principal risks and uncertainties

Finance: The principal risk facing the Trust is the future level of Government funding. This risk will be managed by careful control over budgeted expenditure to ensure that a deficit does not arise for the year.

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

Reputational: The continuing success of the Trust will be dependent on sustained educational achievement in its schools which will, in turn, attract sufficient numbers of applicants by maintaining the highest educational standards. To mitigate this risk Trustees will ensure that pupil success and achievement is closely monitored and regularly reviewed.

Safeguarding and child protection: This risk is of paramount importance and the Trustees will 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 Trust is reliant on the quality of its staff. The Trustees will 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 Trust has appointed a Responsible Officer to carry out checks on financial systems and records in accordance with the Academy Financial Handbook. The Business Manager and those members of staff involved in finance will receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Plans for future periods

The Trust holds key strategic objectives for the future:

- To facilitate learning by delivering high quality teaching of a broad curriculum and achieve the best possible outcomes for the children;
- To provide well resourced and rich school based learning environments;
- To provide opportunities for children and staff to maximize potential;
- To provide inclusive school communities with a deep sense of belonging;
- To become outstanding schools within the Trust.

Keskowethyans Multi Academy Trust

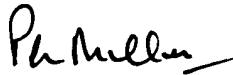
Trustees' Report for the Year Ended 31 August 2015

Auditor

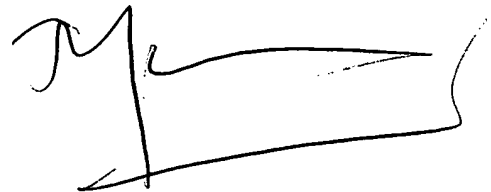
In so far as the trustees Trustees are aware:

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

Approved by order of the Board of Trustees on 07.12.15 and signed on its behalf by:



Mrs P Miller
Chair of Trustees



MR T HARMAN
ACCOUNTING OFFICER

Keskowethyans Multi Academy Trust

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Mr T Harman (Headteacher), 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 Keskowethyans Multi Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Harman	5	5
Miss W Prescott	5	5
Mr C Martin	3	4
Mrs P Miller	5	5
Mrs M Mita	4	5
Ms J A Halliday	4	5
Mr C Hosken	2	5
Mr M Lever	1	5
Mr M Bayliss	4	5
Mr C Sealey	4	5
Rev P Sharpe	4	5
Mr P Relton	3	5
Mr T Luddington	2	5
Mrs J Dudley	0	0

Keskowethyans Multi Academy Trust

Governance Statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to oversee matters of internal controls, external audit, budget planning, risk management and management accounting. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Sealey	8	9
Mr P Relton	9	9
Mr T Luddington	7	9
Mr T Harman	9	9
Mrs P Miller	9	9

Review of value for money

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

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

Improving Educational Standards

- Our curriculum ensures all pupils have the opportunity to raise their individual levels of attainment
 - We focus on the differing needs of each pupil and targeted support is provided as appropriate
 - A Pupil Premium lead has been appointed in each school to ensure funding is directed for maximum benefit. The AHT oversees provision and outcomes for PP recipients
 - Data is tracked across individual schools and the MAT, including the tracking of interventions and support, to prove VFM
- Across the MAT schools the attainment gap is closing over time. The overwhelming majority of pupils in receipt of FSM make progress which is at least in line with their peers, and in some instances the progress of FSM pupils exceeds that of their peers – due to the highly targeted support we able to offer.

Financial Performance

- Financial oversight is good, with well qualified and proficient members on the Finance Committee
- Management accounts are prepared monthly and circulated to the Finance Committee to enable regular monitoring including VFM
- Purchasing controls have been reviewed and tightened to avoided duplication across the MAT and to ensure VFM
- Class structures have been reviewed and staffing reduced where appropriate to ensure the most efficient use of funds

Keskowethyans Multi Academy Trust

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the academy trust's 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 Keskowethyans Multi Academy Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body 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 Governing Body 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 ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The Multi-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 Governing Body;
- regular reviews by the Finance 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 Governing Body considered the need for a specific internal audit function and appointed Mr Luddington as Responsible Officer. Mr Luddington resigned as a Trustee at the end of the financial year and so the Board are in the process of appointing a new Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the Responsible Officer will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Board will continue to develop management systems as the Trust develops.

There were no material control or other issues reported by the RO to date.

Review of effectiveness

As Accounting Officer, Mr T Harman (Headteacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

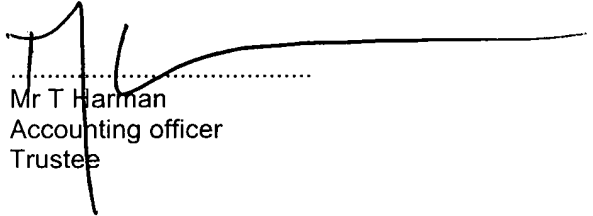
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Keskowethyans Multi Academy Trust

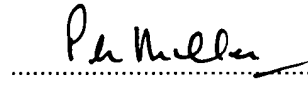
Governance Statement (continued)

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

Approved by order of the members of the Governing Body on 07.12.15 and signed on its behalf by:



.....
Mr T Harman
Accounting officer
Trustee



.....
Mrs P Miller
Chair of Trustees

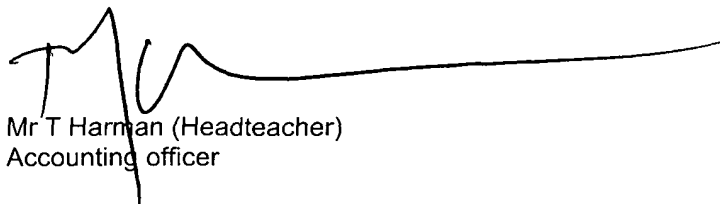
Keskowethyans Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Keskowethyans Multi Academy Trust I have considered my responsibility to notify the Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the Funding Agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mr T Harman (Headteacher)
Accounting officer

Date: 7/12/15

Keskowethyans Multi Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are 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 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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:

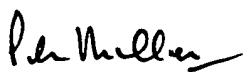
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Members of the Board on 07.12.15 and signed on its behalf by:



Mrs P Miller
Chair of Trustees



MR T HARMAN
ACCOUNTING OFFICER

Keskowethyans Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Keskowethyans Multi Academy Trust

We have audited the financial statements of Keskowethyans Multi Academy Trust for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 18), the Trustees (who are also the Directors of the charitable company 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Keskowethyans Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Keskowethyans Multi Academy Trust (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Francis Clark LLP

Michael Bentley ACA DChA (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: *16/12/15*

Keskowethyans Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Keskowethyans Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 2 October 2014 and further to the requirements of the Education Funding Authority (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Keskowethyans Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Keskowethyans Multi Academy Trust's funding agreement with the Secretary of State for Education dated 28 February 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

Keskowethyans Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Keskowethyans Multi Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Francis Clark LLP

Michael Bentley ACA DChA

For and on behalf of Francis Clark LLP, Chartered Accountants

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: *16/12/15*

Keskowethyans Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total (As restated) 31 January to 31 August 2014 £
	Note					
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Transfer on conversion	2	-	-	571,673	571,673	3,913,114
Other voluntary income	2	16,354	3,560	38,407	58,321	45,982
Activities for generating funds	3	39,813	28,242	-	68,055	26,004
Investment income	4	323	-	-	323	98
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy Trust's educational operations	5	-	1,372,774	222,503	1,595,277	896,287
Total incoming resources		56,490	1,404,576	832,583	2,293,649	4,881,485
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		1,147	3,550	-	4,697	25,627
Fundraising trading		31,540	28,243	-	59,783	18,774
<i>Charitable activities:</i>						
Academy's educational operations		-	1,591,714	118,793	1,710,507	840,702
Governance costs	8	-	13,750	-	13,750	38,382
Total resources expended	6	32,687	1,637,257	118,793	1,788,737	923,485
Net incoming/(outgoing) resources before transfers		23,803	(232,681)	713,790	504,912	3,958,000

Keskowethyans Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total (As restated) 31 January to 31 August 2014 £
	Note					
Gross transfers between funds		(175,336)	174,288	1,048	-	-
Net (expenditure)/income for the year		(151,533)	(58,393)	714,838	504,912	3,958,000
Other recognised gains and losses						
Opening defined benefit pension scheme liability		-	-	-	-	(137,000)
Actuarial gain on defined benefit pension schemes	25	-	4,000	-	4,000	(55,000)
Net movement in (deficit)/funds		(151,533)	(54,393)	714,838	508,912	3,766,000
Reconciliation of funds						
Total Funds/(deficit) brought forward at 1 September 2014		189,752	(165,557)	3,741,805	3,766,000	-
Total Funds/(deficit) carried forward at 31 August 2015		38,219	(219,950)	4,456,643	4,274,912	3,766,000

All of the Academy Trust's activities derive from continuing operations during the above two periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

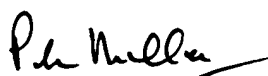
Keskowethyans Multi Academy Trust

(Registration number: 08872161)

Balance Sheet as at 31 August 2015

	Note	31 August 2015 £	31 August 2014 £
Fixed assets			
Tangible assets	13	4,307,602	3,515,170
Current assets			
Debtors	14	71,098	79,299
Cash at bank and in hand		<u>217,552</u>	<u>516,305</u>
		288,650	595,604
Creditors: Amounts falling due within one year	15	<u>(97,340)</u>	<u>(145,774)</u>
Net current assets		<u>191,310</u>	<u>449,830</u>
Total assets less current liabilities		<u>4,498,912</u>	<u>3,965,000</u>
Net assets excluding pension liability		4,498,912	3,965,000
Pension scheme liability	25	<u>(224,000)</u>	<u>(199,000)</u>
Net assets including pension liability		<u><u>4,274,912</u></u>	<u><u>3,766,000</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		4,050	33,443
Restricted fixed asset fund		4,456,643	3,741,805
Restricted pension fund		<u>(224,000)</u>	<u>(199,000)</u>
		4,236,693	3,576,248
Unrestricted funds			
Unrestricted general fund		<u>38,219</u>	<u>189,752</u>
Total funds		<u><u>4,274,912</u></u>	<u><u>3,766,000</u></u>

The financial statements on pages 23 to 52 were approved by the Trustees, and authorised for issue on 07.12.15 and signed on their behalf by:



Mrs P Miller
Director



Mr T Holman
Accounting Officer

Keskowethyans Multi Academy Trust

Cash Flow Statement for the Year Ended 31 August 2015

		31 August 2015 £	31 January to 31 August 2014 £
	Note		
Net cash (outflow)/inflow from operating activities	20	(220,434)	316,882
Returns on investments and servicing of finance	21	323	98
Capital expenditure and financial investment	22	<u>(78,642)</u>	<u>199,325</u>
(Decrease)/increase in cash in the year	23	<u><u>(298,753)</u></u>	<u><u>516,305</u></u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year		(298,753)	516,305
Net funds at 1 September 2014		<u>516,305</u>	-
Net funds at 31 August 2015		<u><u>217,552</u></u>	<u><u>516,305</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015

1 Accounting policies

Basis of preparation

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

Going concern

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

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Multi Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other income

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Donated services and gifts in kind

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

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Multi Academy Trust's educational operations.

Governance costs

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Multi Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

The school building is leased from the Diocese of Truro. However the recent EFA guidance indicated that the Academy Trust should recognise the land and buildings on their balance sheet on the basis that the benefits of using the assets will flow to the Academy Trust for the foreseeable future. Therefore the land and buildings have been included on the balance sheet this year and the depreciation charge has been backdated to the start of the financial year.

Asset class	Depreciation method and rate
Leasehold land and buildings	50 years straight line
Freehold land and buildings	50 years straight line
Furniture, fittings and equipment	5 years straight line
Motor vehicles	4 years straight line
Computer equipment	3 years straight line

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Multi Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Multi Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Multi Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Multi Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

Change in accounting policy

The 2015 Academies Accounts Direction indicated that Diocese owned land and buildings occupied by Academy Trusts should be recognised on the balance sheet. The land and buildings occupied by Grade Ruan have been brought in to the financial statements as assets donated on conversion in the current year.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Prior year adjustment

Following consultation with the EFA the Trust has changed the presentation of income from catering and school trips from Voluntary Income and Activities for Generating Funds to Funding for the Academy Trust's Educational Operations. This has resulted in the transfer of £13,801 in the comparative period. The presentation of costs of catering and school trips has been changed from Cost of Generating Voluntary Income and Fundraising Trading to Academy's Educational Operations, resulting in the transfer of £9,672 in the comparative period. There is no impact upon the reported surplus, cash flows or reserves for any period presented.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total (As restated) 31 January to 31 August 2014 £
Transfer on conversion	-	-	571,673	571,673	3,913,114
Other voluntary income					
Other donations	<u>16,354</u>	<u>3,560</u>	<u>38,407</u>	<u>58,321</u>	<u>45,982</u>
Total voluntary income	<u>16,354</u>	<u>3,560</u>	<u>610,080</u>	<u>629,994</u>	<u>3,959,096</u>

The income shown on the Transfer on Conversion line in the current year of £571,673, represents the recognition of land and buildings used by the Multi-Academy Trust since conversion to an Academy Trust, that is held on a church supplemental agreement from the Diocese of Truro. These land and buildings have been recognised based on the revised guidance in the Academy Accounts Direction.

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total (As restated) 31 January to 31 August 2014 £
Hire of facilities	1,468	-	1,468	827
Uniform sales	3,083	-	3,083	2,804
Nursery income	5,999	14,609	20,608	7,712
Other income	19,819	13,633	33,452	11,125
After school club income	<u>9,444</u>	<u>-</u>	<u>9,444</u>	<u>3,536</u>
	<u>39,813</u>	<u>28,242</u>	<u>68,055</u>	<u>26,004</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

4 Investment income

	Unrestricted funds £	Total 2015 £	Total 31 January to 31 August 2014 £
Short term deposits	-	-	98
Investment income	323	323	-
	<u>323</u>	<u>323</u>	<u>98</u>

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total (As restated) 31 January to 31 August 2014 £
DfE/EFA capital grants				
Devolved Formula Capital allocations	-	22,373	22,373	22,762
Academies Capital Maintenance Fund	-	200,130	200,130	85,770
	<u>-</u>	<u>222,503</u>	<u>222,503</u>	<u>108,532</u>
DfE/EFA revenue grants				
General Annual Grant (GAG)	1,209,453	-	1,209,453	663,376
Start up grant	-	-	-	75,000
Other DfE grants	89,831	-	89,831	16,729
Pupil Premium	42,828	-	42,828	17,833
	<u>1,342,112</u>	<u>-</u>	<u>1,342,112</u>	<u>772,938</u>
Other government grants				
LA grants	15,506	-	15,506	1,016
Non-government grants and other income				
Educational trips and visits	15,156	-	15,156	11,088
Catering income	-	-	-	2,713
	<u>15,156</u>	<u>-</u>	<u>15,156</u>	<u>13,801</u>
Total grants	<u>1,372,774</u>	<u>222,503</u>	<u>1,595,277</u>	<u>896,287</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total (As restated) 31 January to 31 August 2014 £
Costs of generating voluntary income	-	1,644	3,053	4,697	25,627
Costs of activities for generating funds	49,315	4,492	5,976	59,783	18,774
Academy's educational operations					
Direct costs	1,042,785	-	79,389	1,122,174	565,126
Allocated support costs	<u>176,270</u>	<u>261,933</u>	<u>150,130</u>	<u>588,333</u>	<u>275,576</u>
	1,219,055	261,933	229,519	1,710,507	840,702
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>13,750</u>	<u>13,750</u>	<u>38,382</u>
	<u>1,268,370</u>	<u>268,069</u>	<u>252,298</u>	<u>1,788,737</u>	<u>923,485</u>

Net incoming/outgoing resources for the year include:

	31 August 2015 £	31 January to 31 August 2014 £
Fees payable to auditor - audit	4,000	4,000
- other audit services	<u>9,950</u>	<u>4,800</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

7 Charitable activities

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total (As restated) 31 January to 31 August 2014 £
Direct costs				
Teaching and educational support staff costs	1,042,785	-	1,042,785	522,776
Educational supplies	15,982	-	15,982	7,486
Staff development	8,151	-	8,151	4,780
Technology costs	1,603	-	1,603	142
Other direct costs	42,281	-	42,281	17,564
Educational visits	11,372	-	11,372	12,378
	<u>1,122,174</u>	<u>-</u>	<u>1,122,174</u>	<u>565,126</u>
Allocated support costs				
Support staff costs	151,270	-	151,270	70,433
FRS 17 service cost adjustment	25,000	-	25,000	5,000
Depreciation	-	118,793	118,793	46,071
Maintenance of premises and equipment	33,547	-	33,547	11,547
Cleaning	33,606	-	33,606	13,206
Rent and rates	17,425	-	17,425	6,967
Energy costs	15,853	-	15,853	13,008
Insurance	42,709	-	42,709	28,371
Technology costs	40,879	-	40,879	23,379
Recruitment and support	50	-	50	-
Security and transport	7,971	-	7,971	2,256
Catering	34,618	-	34,618	3,758
Bank interest and charges	65	-	65	147
Expected return on scheme assets	(17,000)	-	(17,000)	(7,000)
Interest on defined benefit pension scheme	21,000	-	21,000	9,000
Other support costs	62,547	-	62,547	49,433
	<u>469,540</u>	<u>118,793</u>	<u>588,333</u>	<u>275,576</u>
	<u>1,591,714</u>	<u>118,793</u>	<u>1,710,507</u>	<u>840,702</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

8 Governance costs

	Total 2015 £	Total 31 January to 31 August 2014 £
Legal and professional fees	(200)	29,582
Auditors' remuneration		
Audit of financial statements	4,000	4,000
Other audit services	9,950	4,800
	<u>13,750</u>	<u>38,382</u>

9 Staff

Staff costs

	2015 £	31 January to 31 August 2014 £
Staff costs during the year were:		
Wages and salaries	1,007,945	486,538
Social security costs	60,549	28,677
Pension costs	175,704	79,219
Supply teacher costs	24,172	7,227
Staff restructuring costs	-	10,000
	<u>1,268,370</u>	<u>611,661</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Staff (continued)

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

	31 August 2015 No	31 January to 31 August 2014 No
Charitable Activities		
Teachers	17	17
Administration and teaching support	17	18
Management	3	3
	<u>37</u>	<u>38</u>

The number of employees whose annual emoluments (excludes pension contributions) fell within the following bands was:

	31 August 2015 No	31 August 2014 No
£70,001 - £80,000	1	-
£80,001 - £90,000	<u>-</u>	<u>1</u>

1 (2014 - 1) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for this staff member amounted to £10,481 (2014 - £6,119).

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

10 Central services

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

- Financial services
- Legal services
- Leadership services
- Educational support services

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

- 15% of General Annual Grant (GAG)
- In the year an additional amount to the equivalent of 13% of GAG has been charged by central services to the academies to cover additional costs and the brought forward deficit

The actual amounts charged during the year were as follows:

	31 August 2015 £
Coverack Community Primary School	65,360
Grade-Ruan Church of England Primary School	79,185
Manaccan Primary School	67,432
St Keverne Community Primary School	73,312
St Martin-in-Meneage Primary School	55,798
	<hr/> 341,087 <hr/>

11 Related party transactions - Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration (includes pension contributions) in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses as detailed below, from the Academy in respect of their role as trustees. The value of trustees' remuneration for the six month period was as follows:

Mr T Harman (Headteacher and trustee):

Remuneration: £70,000 - £75,000 (2014 - £40,000 - £45,000)
Employer's pension contributions: £10,000 - £15,000 (2014 - £5,000 - £10,000)

Miss W Prescott (Assistant Headteacher and trustee):

Remuneration: £45,000 - £50,000 (2014 - £25,000 - £30,000)
Employer's pension contributions: £5,000 - £10,000 (2014 - £0 - £5,000)

Mr C Martin (Staff trustee):

Remuneration: £25,000 - £30,000 (2014 - £20,000 - £25,000)
Employer's pension contributions: £0 - £5,000 (2014 - £0 - £5,000)

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

11 Related party transactions - Trustees' remuneration and expenses (continued)

During the year ended 31 August 2015, travel and expenses totalling £Nil (2014 - £52) were reimbursed to 0 staff member (2014 - 1).

Other related party transactions involving the Trustees are set out in note 26.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance is included within the combined curriculum policy and provides cover up to £2,000,000 on any one claim. The cost of the combined curriculum policy for the period ended 31 August 2015 was £10,562 (2014: £10,231). The cost of this insurance is included within the total insurance cost in the accounts.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Computer equipment £	Assets under construction £	Total £
Cost							
At 1 September 2014	802,002	2,655,803	18,100	14,869	68,027	2,440	3,561,241
Additions	3,552	300,725	16,415	15,461	3,399	-	339,552
Inherited assets	-	571,673	-	-	-	-	571,673
Transfers	-	2,440	-	-	-	(2,440)	-
At 31 August 2015	<u>805,554</u>	<u>3,530,641</u>	<u>34,515</u>	<u>30,330</u>	<u>71,426</u>	<u>-</u>	<u>4,472,466</u>
Depreciation							
At 1 September 2014	7,520	26,558	1,255	865	9,873	-	46,071
Charge for the year	<u>15,435</u>	<u>66,425</u>	<u>6,589</u>	<u>6,607</u>	<u>23,737</u>	<u>-</u>	<u>118,793</u>
At 31 August 2015	<u>22,955</u>	<u>92,983</u>	<u>7,844</u>	<u>7,472</u>	<u>33,610</u>	<u>-</u>	<u>164,864</u>
Net book value							
At 31 August 2015	<u>782,599</u>	<u>3,437,658</u>	<u>26,671</u>	<u>22,858</u>	<u>37,816</u>	<u>-</u>	<u>4,307,602</u>
At 31 August 2014	<u>794,482</u>	<u>2,629,245</u>	<u>16,845</u>	<u>14,004</u>	<u>58,154</u>	<u>2,440</u>	<u>3,515,170</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

14 Debtors

	31 August 2015 £	31 August 2014 £
Trade debtors	11,549	1,760
Prepayments	26,415	33,866
Accrued grant and other income	8,572	7,133
VAT recoverable	24,562	33,156
Other debtors	-	3,384
	<u>71,098</u>	<u>79,299</u>

15 Creditors: amounts falling due within one year

	31 August 2015 £	31 August 2014 £
Trade creditors	7,011	25,598
Other taxation and social security	17,708	17,332
Other creditors	19,923	38,633
Accruals	22,459	31,641
Deferred income	<u>30,239</u>	<u>32,570</u>
	<u>97,340</u>	<u>145,774</u>

	31 August 2015 £
Deferred income at 1 September 2014	32,570
Resources deferred in the period	30,239
Amounts released from previous periods	<u>(32,570)</u>
Deferred income at 31 August 2015	<u>30,239</u>

Deferred income held at the year end date relates to Universal Infant Free School Meals funding received in advance of the 2016 academic and financial year.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	24,404	1,209,449	(1,422,419)	188,566	-
Other DfE revenue grants	5,278	89,831	(80,831)	(14,278)	-
Other LA grants	623	15,506	(16,129)	-	-
Educational trips and visits	2,838	15,156	(13,954)	-	4,040
Other income	300	31,806	(32,096)	-	10
Pupil Premium	-	42,828	(42,828)	-	-
	<u>33,443</u>	<u>1,404,576</u>	<u>(1,608,257)</u>	<u>174,288</u>	<u>4,050</u>
Restricted fixed asset funds					
DfE capital grants	106,092	222,503	-	(298,542)	30,053
Assets transferred on conversion	3,458,663	571,673	(97,793)	-	3,932,543
Other LA on conversion	112,794	-	-	(5,184)	107,610
Other donations	7,750	38,407	-	(34,778)	11,379
Fixed assets purchased since conversion	<u>56,506</u>	<u>-</u>	<u>(21,000)</u>	<u>339,552</u>	<u>375,058</u>
	<u>3,741,805</u>	<u>832,583</u>	<u>(118,793)</u>	<u>1,048</u>	<u>4,456,643</u>
Restricted pension funds					
Pension fund	<u>(199,000)</u>	<u>-</u>	<u>(29,000)</u>	<u>4,000</u>	<u>(224,000)</u>
Total restricted funds	3,576,248	2,237,159	(1,756,050)	179,336	4,236,693
Unrestricted funds					
Unrestricted general funds	<u>189,752</u>	<u>56,490</u>	<u>(32,687)</u>	<u>(175,336)</u>	<u>38,219</u>
Total funds	<u><u>3,766,000</u></u>	<u><u>2,293,649</u></u>	<u><u>(1,788,737)</u></u>	<u><u>4,000</u></u>	<u><u>4,274,912</u></u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds (continued)

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

Restricted GAG - School investment and educational activities.

Other DfE revenue grants - Includes Pupil Premium and Universal Infant Free School Meals grants which were fully expended in the period in line with purpose.

Other LA grants - Income received for various purposes including funding towards the nursery at Manaccan Primary School.

DfE capital grants include income received in respect of the classroom refurbishment project which was fully spent in line with purpose in the year. Unspent funds relates to devolved formula capital grant income which is being held to fund capital expenditure in future periods.

The academy operates a Fixed Asset Restricted Fund. Income that is received by the academy for the purpose of specific capital items of projects is allocated to this fund.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Coverack Community Primary School	98,370
Grade-Ruan Church of England Primary School	(8,477)
Manaccan Primary School	(34,417)
St Keverne Community Primary School	(15,694)
St Martin-in-Meneage Primary School	<u>2,487</u>
Total before fixed assets and pension reserve	42,269
Fixed asset fund	4,456,643
Pension fund	<u>(224,000)</u>
Total	<u><u>4,274,912</u></u>

Grade Ruan Church of England Primary School is carrying a net deficit of £8,477 on these funds because expenditure has exceeded brought forward funds and income received in the year.

The trust is taking the following action to return the academy to surplus:

Continued monitoring of budgets and a reduction in budgeted expenditure.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds (continued)

Manaccan Primary School is carrying a net deficit of £34,417 on these funds because expenditure has exceeded brought forward funds and income received in the year.

The trust is taking the following action to return the academy to surplus:

Continued monitoring of budgets and a reduction in budgeted expenditure.

St Keverne Primary School is carrying a net deficit of £15,694 on these funds because expenditure has exceeded brought forward funds and income received in the year.

The trust is taking the following action to return the academy to surplus:

Continued monitoring of budgets and a reduction in budgeted expenditure.

Analysis of academies by cost

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 £
Coverack Community Primary School	152,461	25,708	3,964	61,181	243,314
Grade-Ruan Church of England Primary School	207,947	19,645	7,492	67,048	302,132
Manaccan Primary School	174,506	47,541	2,912	64,377	289,336
St Keverne Community Primary School	213,404	27,470	4,618	68,203	313,695
St Martin-in-Meneage Primary School	136,958	19,254	2,623	64,154	222,989
Central services	178,589	39,886	-	80,005	298,480
Academy Trust	<u>1,063,865</u>	<u>179,504</u>	<u>21,609</u>	<u>404,968</u>	<u>1,669,946</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	4,307,602	4,307,602
Current assets	38,219	8,100	242,331	288,650
Current liabilities	-	(4,050)	(93,290)	(97,340)
Pension scheme liability	-	(224,000)	-	(224,000)
Total net assets	<u>38,219</u>	<u>(219,950)</u>	<u>4,456,643</u>	<u>4,274,912</u>

18 Capital commitments

	31 August 2015 £	31 August 2014 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>15,645</u>

19 Financial commitments

Operating leases

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

Operating leases which expire:

	31 August 2015 £	31 August 2014 £
Land and buildings		
Over five years	<u>7,500</u>	<u>7,500</u>
Other		
Within two to five years	<u>2,325</u>	<u>2,787</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	31 August 2015 £	31 August 2014 £
Net income	504,912	3,958,000
Depreciation	118,793	46,071
Capital grants	(260,910)	(258,333)
Interest receivable	(323)	(98)
FRS 17 expected return on scheme assets	(17,000)	(7,000)
FRS 17 interest on defined benefit pension scheme	21,000	9,000
FRS17 service cost adjustment	25,000	5,000
Decrease/(increase) in debtors	8,201	(79,299)
(Decrease)/increase in creditors	(48,434)	145,774
Capital donated on conversion	<u>(571,673)</u>	<u>(3,502,233)</u>
Net cash (outflow)/inflow from operating activities	<u>(220,434)</u>	<u>316,882</u>

21 Returns on investments and servicing of finance

	31 August 2015 £
Interest received	<u>323</u>
Net cash inflow from returns on investments and servicing of finance	<u>323</u>

22 Capital expenditure and financial investment

	31 August 2015 £	31 August 2014 £
Purchase of tangible fixed assets	(339,552)	(59,008)
Capital grants from DfE	222,503	108,532
Capital grants from others	<u>38,407</u>	<u>149,801</u>
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(78,642)</u>	<u>199,325</u>

23 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	<u>516,305</u>	<u>(298,753)</u>	<u>217,552</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 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.

25 Pension and similar obligations

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

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

Contributions amounting to £19,044 (2014: £18,547) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principals, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed rate of real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £92,000 (2014: £52,000).

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a 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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £75,000 (2014 - £35,000), of which employer's contributions totalled £59,000 (2014 - £27,000) and employees' contributions totalled £16,000 (2014 - £8,000). The agreed contribution rates for future years are 5.5 - 7.5% per cent for employers and 19.5% plus £4,100 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.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	4.60	4.50
Rate of increase for pensions in payment/inflation	2.70	2.70
Discount rate for scheme liabilities	3.80	3.70
Expected return on assets	<u>3.80</u>	<u>4.80</u>

Commutation

An allowance is included for future retirements to elect to take 40% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 70% of the maximum tax-free cash for post-April 2008 service.

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	- 0.5%
Adjustment to discount rate	£
Present value of total obligation	<u>83,000</u>
Adjustment to rate of salary growth	
Present value of total obligation, increase of +0.5%, impact £35,000	

	+ 1 Year
Adjustment to mortality age rating assumption	£
Present value of total obligation	<u>19,000</u>

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males retiring today	22.20	22.20
Females retiring today	24.40	24.40
Retiring in 20 years		
Males retiring in 20 years	24.40	24.40
Females retiring in 20 years	<u>26.80</u>	<u>26.80</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Pension and similar obligations (continued)

The Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2015 £	At 31 August 2014 £
Equities	163,000	165,000
Corporate bonds	198,000	124,000
Property	28,000	19,000
Cash	8,000	3,000
Total market value of assets	397,000	311,000
Present value of scheme liabilities - funded	(621,000)	(510,000)
Deficit in the scheme	<u>(224,000)</u>	<u>(199,000)</u>

The expected rates of return were:

	At 31 August 2015 %	At 31 August 2014 %
Equities	3.80	6.20
Corporate bonds	3.80	3.20
Property	3.80	4.50
Cash	<u>3.80</u>	<u>3.30</u>

The actual return on scheme assets was £11,000 (2014 - £22,000).

The expected rates of return for 2015 are set equal to the discount rate (as per the forthcoming FRS 102 requirements).

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	31 August 2015 £	31 August 2014 £
Current service cost	84,000	32,000
Total operating charge	84,000	32,000

Analysis of pension finance income/(costs)

	31 August 2015 £	31 August 2014 £
Expected return on pension scheme assets	(17,000)	(7,000)
Interest on pension liabilities	21,000	9,000
Pension finance costs	4,000	2,000

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£51,000) (2014 - (£55,000)).

Movements in the present value of defined benefit obligation

	31 August 2015 £	31 August 2014 £
On 1 September (p/yr on conversion on 1 March)	510,000	390,000
Current service cost	84,000	32,000
Interest cost	21,000	9,000
Employee contributions	16,000	8,000
Actuarial (gains)/losses	(10,000)	71,000
At 31 August	621,000	510,000

Movements in the fair value of Trust's share of scheme assets

	31 August 2015 £	31 August 2014 £
On 1 September (p/yr on conversion at 1 March)	311,000	253,000
Expected return on assets	17,000	7,000
Actuarial (losses)/gains	(6,000)	16,000
Employer contributions	59,000	27,000
Employee contributions	16,000	8,000
At 31 August	397,000	311,000

The estimated value of employer contributions for next period is £57,000 (2014 - £54,000).

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

	31 August 2015 £	31 August 2014 £	On conversion £
Present value of scheme liabilities	(621,000)	(510,000)	(390,000)
Fair value of scheme assets	397,000	311,000	253,000
Deficit in the scheme	<u>(224,000)</u>	<u>(199,000)</u>	<u>(137,000)</u>

	31 August 2015 %	31 August 2014 %
Experience adjustments arising on scheme assets	(6,000)	16,000
Experience adjustments arising on scheme liabilities	<u>-</u>	<u>-</u>

Comparative figures have not been restated as permitted by FRS 17.

26 Related party transactions

Owing to the nature of the Multi 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 member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Multi Academy Trust's financial regulations and normal procurement procedures.

During the year the Academy Trust made the following related party transactions:

Aldridge Construction

(Owned by the husband of the School Business Manager)

During the the period the academy incurred expenditure in relation to services received of £2,429 (2014: £3,748). At the balance sheet date the amount due to Aldridge Construction was £Nil (2014 - £Nil).

DJ Kevern

(DJ Kevern is a local governor of St Keverne Community Primary School)

During the period the academy incurred £1,503 (2014: £17,708) in respect of construction services provided by DJ Kevern. At the balance sheet date the amount due to DJ Kevern was £Nil (2014 - £17,708).

Truro Diocese

(Two trustees of Truro Diocesan Board of Finance Ltd are also trustees of the member, Askel Veur the Diocese of Truro Academies Umbrella Company Ltd. Diocese of Truro Enterprises Ltd is a 100% subsidiary of Truro Diocesan Board of Finance Ltd and shares a trustee with Askel Veur the Diocese of Truro Academies Umbrella Company Ltd)

The Multi Academy Trust paid Diocese of Truro Enterprises Ltd £18,607 for project management fees in relation to the construction of new classrooms in the year. At the balance sheet date the amount due to Truro Diocese was £Nil (2014 - £Nil).