

Keskowethyans Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2018

Company Registration number: 08872161 (England and Wales)



Keskowethyans Multi Academy Trust

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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) (resigned 4 December 2017) Mrs W Sherlock, (Acting Headteacher from 1 May 2017) Rev P Sharpe Ms J A Halliday (resigned 13 September 2017) Mrs J Dudley Mrs Z Holmes Mrs J Ludbrook (appointed 1 September 2017) Mr I Ravenhill (appointed 14 November 2017) Mrs S A Fawcett (appointed 14 November 2017) Mr A Sanders (appointed 26 September 2017)
Company Secretary	Mrs Sarah Lyne
Senior Management Team	Mrs W Sherlock, Acting 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	PKF Francis Clark Lowin House Tregolls Road Truro Cornwall TR1 2NA
Bankers	Lloyds Bank PLC 1 Market Place Helston Cornwall TR13 8SU

Keskowethyans Multi Academy Trust

Reference and Administrative Details (continued)

Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1UP
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Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Until 31 January 2018, Keskowethyans operated a five school Multi Academy Trust situated on the Lizard Peninsula in Cornwall. On this date, St Martin in Meneage Primary School closed following a mutual decision of the Board of Trustees and the Department for Education. Its academies have a combined pupil capacity of 324 and had a role of 190 pupils aged 4 to 11 in the school census of October 2017.

Structure, Governance and Management

Constitution

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

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

In accordance with normal commercial practice the Keskowethyans MAT has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

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, the Diocese of Truro's Academies Umbrella Company. The Board was successful in recruiting new directors to further enhance the skill set of the Board. The Board continues to encourage and recruit local people to its Partners in Learning group which received approval from Ofsted during last year's inspections and has proved to be a valuable asset to the organisation.

Policies and procedures adopted for the induction and training of trustees

The MAT has an appointed 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 will continue to be developed and reviewed in conjunction with the Clerk to the Trustees. Safeguarding and other appropriate training has been available for new members of the Board. The new members, individually, already have significant skills and experience in primary education.

Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018 (continued)

Organisational Structure

The Board generally meets twice a term, but during this year has convened 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 MAT and all operational decisions.

With the exception of the Finance Committee, Curriculum, Personnel and Premises Committees meet termly to monitor and advise on various aspects of the Board's work. The Finance Committee typically meets monthly throughout term time. Members of these committees are drawn from the Board and the Partners in Learning group. Partners in Learning meet termly. Each committee is chaired by a Trustee.

The Board receives annual reports from all the Committees and Partners in Learning. In addition the Board addresses any concerns brought to it from the Committees in the interim period.

Policies are reviewed at Committee level and presented to the Board for adoption in accordance with the prescribed schedule of review.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of staff and key management personnel are dealt with through the Pay Review Group which meets annually to conduct a thorough review of the remuneration of all MAT personnel. Interim meetings are held if deemed necessary. Increases in staff pay are performance related and in accordance with the MATs Pay Policy. National pay awards are generally honoured for all staff.

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. Systems have been comprehensively reviewed during the year with key financial indicators added to enable and ensure robust and accurate monitoring.

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 2018 (continued)

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 maximise potential
- To provide inclusive school communities 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 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 children are efficiently met
- To develop and maintain 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, Mathematics and Early Years. Areas for improvement identified in last year's OFSTED inspections and regular school self-evaluation of all the schools has been a continual focus in 2017/2018. Key areas for improvement continue to include:

- Continued focus on raising standards of attainment, with a clear focus on higher attainers
- Developing greater independence and resilience in learners;
- Monitoring new approaches to marking and feedback;
- Continue to improve the quality of the learning environment;
- 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.

Public Benefit

The Academy 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.

As a Multi Academy Trust we continue working to support all the schools within our MAT and to develop a culture of mutual support and development across these schools.

Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and Performance

The five schools which comprised the Keskowethyans Multi Academy Trust (Coverack, Grade-Ruan, Manaccan, St Keverne and St Martin in Meneage) were rated GOOD in the most recent OFSTED inspections during February/March 2017 and the Board is very proud of this achievement. In total there were 190 pupils across the MAT schools and staff continue to work hard to maintain this standard. St Martin in Meneage School closed during the year.

The curriculum on offer at all the MAT schools is wide and varied and provides a range of exciting and engaging opportunities for pupils who continue to enjoy wide participation and success in music, sport and performing arts and residential opportunities, as well as academically.

The Keskowethyans Multi Academy Trust has continued to provide a safe and stimulating environment across all the schools, with a clear focus on raising standards of attainment and achievement. The results at the end of Key Stage 2 are shown in the following table which uses this key:

EXS – pupils who achieved the expected standard at the end of key stage 2

GDS – pupils who achieved at a greater depth than the expected standard at the end of key stage 2

NB: Most of this data represents extremely small Year 6 cohorts

RESULTS July 2018	COVERACK	GRADE RUAN	MANACCAN	ST. KEVERNE
End of Y6	4 pupils [each pupil 25%]	14 pupils [each pupil 7%]	4 pupils [each pupil 25%]	3 pupils [each pupil 33%]
	Reading School avg scaled score: 114.5 national: 105.0 EXS: 4/4 [100%]; national 75% GDS: 3/4 [75%]; national 28%	Reading School avg scaled score: 109.5 national: 105.0 EXS: 12/14 [86%]; national 75% GDS: 7/14 [50%]; national 28%	Reading School avg scaled score: 109.3 national: 105.0 EXS: 4/4 [100%]; national 75% GDS: 2/4 [50%]; national 28%	Reading School avg scaled score: 100.7 national: 105 EXS: 2/3 [67%]; national 75% GDS: 1/3 [33%]; national 28%
	GPS School avg scaled score: 116.5 national: 106.0 EXS: 4/4 [100%]; national 78% GDS: 3/4 [75%]; national 34%	GPS School avg scaled score: 107.2 national: 106.0 EXS: 12/14 [86%]; national 78% GDS: 8/14 [43%]; national 34%	GPS School avg scaled score: 108.5 national: 106.0 EXS: 4/4 [100%]; national 78% GDS: 1/4 [25%]; national 34%	GPS School avg scaled score: 101.0 national: 106.0 EXS: 2/3 [67%]; national 78% GDS: 0/3 [0%]; national 34%

Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018 (continued)

Strategic Report

	Maths School ave. scaled score: 111.8 national: 104.0 EXS: 4/4 [100%]; national 76% GDS: 3/4 [75%]; national 24% Writing EXS: 3/4 [75%]; national 76% GDS: 0/4 [0%]; national 20%	Maths School ave. scaled score: 108.9; national: 104.0 EXS: 12/14 [86%]; national 76% GDS: 7/14 [50%]; national 24% Writing EXS: 9/14 [64%]; national 76% GDS: 3/14 [21%]; national 20%	Maths School ave. scaled score: 104.8; national: 104.0 EXS: 3/4 [75%]; national 76% GDS: 1/4 [25%]; national 24% Writing EXS: 4/4 [100%]; national 76% GDS: 2/4 [50%]; national 20%	Maths School ave. scaled score: 101.7 national: 104.0 EXS: 2/3 [67%]; national 76% GDS: 0/3 [0%]; national 24% Writing EXS: 1/3 [33%]; national 76% GDS: 0/3 [0%]; national 20%
End of Y6 Combined Measure [R, W & M]	EXS: 3/4 [75%] national 64% GDS: 0/4 [0%] national 10%	EXS: 9/14 [64%] national 64% GDS: 3/14 [21%] national 10%	EXS: 3/4 [75%] in national 64% GDS: 1/4 [25%] national 10%	EXS: 1/3 [33%] national 64% GDS: 0/3 [0%] national 10%
Y2 to Y6 Progress Measure [based on indicative data]	Reading: Ave. progress: + 0.8 [Test] Writing: Ave. progress: - 0.1 [TA] Maths: Ave. progress: + 4.9 [Test]	Reading: Ave. progress: + 2.2[Test] Writing: Ave. progress: - 3.9 [TA] Maths: Ave. progress: + 0.6 [Test]	Reading: Ave. progress: - 0.8 [Test] Writing: Ave. progress: + 2.0 [TA] Maths: Ave. progress: - 4.5 [Test]	Reading: Ave. progress: - 2.2 [Test] Writing: Ave. progress: - 5.0 [TA] Maths: Ave. progress: - 0.9 [Test]

Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018 (continued)

Strategic Report

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.

In focusing on core, recurring income streams and associated costs, the Trustees acknowledge the deficit arising in the year (before impairment losses) of £274,401 (2017: £72,002) and that free reserves now stand at £nil which is substantially below the target reserves policy, and that restricted general funds are in deficit by £64,903.

During the year, the trustees requested (and received) additional funding by way of non-repayable grants and repayable loans (reflecting amongst other things, the extraordinary costs related to the closure of St Martin in Meneage School). In addition, it implemented a number of measures to respond to the challenges of funding changes and increased costs.

However, on 1 September 2018, with the approval of the Secretary of State for Education, the assets and liabilities of the Academy were passed to the Southerly Point Co-operative Multi-Academy Trust (SPCMAT), with the exception of the freehold land and buildings at the former St Martin in Meneage School which closed during the year.

The freehold land and buildings at St Martin in Meneage School are in the process of being returned to Cornwall Council for £nil consideration. Therefore the trustees have impaired the value of the freehold land and buildings to £nil, resulting in an impairment loss of £736,201 in the year.

Since all the other assets are being transferred to SPCMAT at net book value for continuing school use, no other adjustments have been made as a result of not applying the going concern basis.

The Keskowethyans Multi Academy Trust continues in existence as a shell company until, as anticipated, it is dissolved at some stage in 2019.

Key Performance Indicators

The trustees have continued to develop a list of key financial and performance indicators which are regularly monitored.

These financial indicators were used to assist the trustees in managing the Trust's financial affairs ensuring efficient operation, liquidity and effective use of resources.

The Trust had set targets in relation to its reserves both for capital and revenue expenditure. It is acknowledged that the target for revenue reserves of three months GAG income was not met in the year.

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 2017 were 190. It is hoped that this number will rise.

On 1 September 2018 the schools in the MAT transferred to Southerly Point Co-Operative MAT.

Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Financial Review

This review covers the period 1 September 2017 to 31 August 2018. As shown by the Statement of Financial Activities there was a deficit of unrestricted funds in the year of £30,401 (2017: surplus of £36,309) and a deficit on general restricted funds before actuarial gains on defined benefit pension schemes of £163,065 (2017: deficit of £168,920).

The majority of the Trust's income is derived from the ESFA in the form of recurring, but restricted grants. The grants received during the accounting period are shown in the statement of financial activities.

At 31 August 2018 the fund balances at individual academies (excluding fixed assets and the pension reserve) was in deficit by £64,903 (2017: surplus of £61,563).

At 31 August 2018 the net book value of fixed assets was £2,888,480 (2017: £3,695,584) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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

The Trust also previously took on the deficit of the Local Government Pension Scheme in respect of its non teaching staff on conversion. The deficit is incorporated in the Balance Sheet with details in Note 25 to the financial statements.

Key financial policies adopted or reviewed during the year include:

- Charging & Remissions Policy
- Capital & Reserves Policy
- Gifts & Hospitality Policy
- Anti-Fraud & Corruption Policy
- Governors Expenses

Trustees procure a Responsible Officer SLA from the Local Authority to undertake a regular programme of internal checks on key financial controls. The Responsible Officer report is reviewed by the Finance Committee.

During the period of this review the Trust has received £36,508 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.

Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018 (continued)

Strategic Report

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

The Trustees had established a Capital and Reserves policy, setting out the requirements for longer term financial planning. At the period end date the level of unrestricted, free reserves held by the Multi Academy Trust was £nil, it is acknowledged that the target for revenue reserves of three months GAG income has not been met.

There is a deficit on the LGPS pension reserve; which has decreased from a deficit of £405k to £341k. This is due to the changes in assumptions used by the actuary. Note 25 provides a detailed breakdown of what makes up the deficit at the year end.

All funds at the year end, other than the former St Martin in Meneage School land and buildings were transferred to Southerly Point Cooperative Multi Academy Trust on 1 September 2018.

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 2018 (continued)

Strategic Report

Principal Risks and Uncertainties

The principal risk and uncertainties identified during the year were:

Finance: The principal risk facing the Trust are:

- 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.
- The progress, or otherwise, of the merger with SPCMAT. The Trustees had agreed on an alternative budget in the event that this had not proceeded.

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 receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Keskowethyans Multi Academy Trust

Trustees Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Plans for Future Periods

The Trustees have recognised for some time, the need for the MAT to merge with a larger MAT and to this end have explored a number of possibilities over the past two years. During this financial year, the focus of its deliberations has become a merger with SPCMAT.

At the time of writing the merger with Southerly Point Co-operative Trust was achieved on the 1st September 2018 and the schools are now in the control of the new Trust. Keskowethyans Multi Academy Trust will continue to exist until March 2019, when a meeting of the Trustees will be convened to dissolve the Trust. By this point the former property at St Martin in Meneage should also have been formally transferred back to Cornwall Council.

We are pleased that Southerly Point Co-operative Trust shares the same vision and ethos as Keskewethyans and holds the same key strategic objectives for the future:

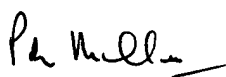
- To facilitate learning by delivering high quality teaching of a broad curriculum and achieve the best possible outcomes for the children.
- To provide well-resourced and rich school-based learning environments
- To provide opportunities for children and staff to maximise potential
- To provide inclusive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

Auditor

In so far as the Trustees are aware:

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

Approved by order of the Board of Trustees on 20/12/18 and signed on its behalf by:



Mrs P Miller
Chair of Trustees

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 Mrs W Sherlock, 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. They are 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 9 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs W Sherlock	9	9
Mrs P Miller	9	9
Ms J A Halliday	3	3
Mrs M Mita	2	3
Rev P Sharpe	9	9
Mrs Z Holmes	8	9
Mrs J Dudley	9	9
Mr A Sanders	9	9
Mr I Ravenhill	7	9
Mrs S A Fawcett	8	9
Mrs J Ludbrook	7	9

Governance reviews

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, together with the functions of an audit committee. Attendance at meetings during the year was as follows:

Keskowethyans Multi Academy Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mrs P Miller	7	7
Rev P Sharpe	7	7
Mrs W Sherlock	7	7
Mrs Z Holmes	7	7
Mr A Sanders	6	7

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

Improving Educational Standards

- The curriculum ensures all pupils have the opportunity to raise their individual levels of attainment
- Focussing on the differing needs of each pupil and targeted support is provided as appropriate
- Pupil Premium - Lead teachers in each school are responsible for ensuring funding is directed for maximum benefit. The HT 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 has been 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 are 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 avoid duplication across the MAT and to ensure VFM
- Income procedures have been reviewed to ensure accurate recording methods across the MAT
- Class structures have been reviewed and staffing reduced where appropriate to ensure the most efficient use of funds

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Keskowethyans Multi Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Keskowethyans Multi Academy Trust

Governance Statement (continued)

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 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 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 and General Purposes 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 has considered the need for a specific internal audit function and has decided:

- to appoint the Cornwall Council LFS Team as Responsible Officer

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

Twice during the year, the RO reported to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

Review of Effectiveness

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

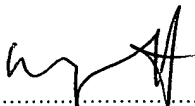
- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

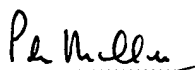
Keskowethyans Multi Academy Trust

Governance Statement (continued)

Approved by order of the members of the Governing Body on 20/12/18 and signed on its behalf by:



Mrs W Sherlock
Accounting officer
Governor and 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 academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 ESFA..



Mrs W Sherlock
Accounting officer

Date: 20/12/18

Keskowethyans Multi Academy Trust

Statement of Trustees' Responsibilities

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

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

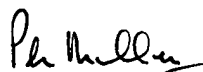
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the Members of the Board on 20/12/18 and signed on its behalf by:



Mrs P Miller
Chair of Trustees

Keskowethyans Multi Academy Trust

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

Opinion

We have audited the financial statements of Keskowethyans Multi Academy Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - non going concern basis

In forming our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 of the financial statements and on page 8. As described in note 1 and on page 8, the Trust ceased to operate and transferred its activities and net assets to Southerly Point Co-operative Multi Academy Trust on 1 September 2018 (with the exception of the freehold land and buildings at the former St Martin in Meneage School).

The financial statements for the period ended 31 August 2018 have therefore been drawn up on a basis other than that of going concern.

An impairment loss of £736,201 was recognised in respect of the freehold land and buildings at the former St Martin in Meneage School relating to the anticipated transfer of this asset back to Cornwall Council for £nil consideration. No other material adjustments arose as a result of ceasing to apply the going concern basis.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Keskowethyans Multi Academy Trust

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Keskowethyans Multi Academy Trust

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

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

Use of our report

This report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 Academy and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

Darren Perry BA(Hons) ACA DChA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: 20/12/18.....

Keskowethyans Multi Academy Trust

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

In accordance with the terms of our engagement letter dated 23 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Keskowethyans Multi Academy Trust during the period 1 September 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Keskowethyans Multi Academy Trust and the ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 & Skills 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Prof Francis Clark

Darren Perry BA(Hons) ACA DChA
PKF Francis Clark
Chartered Accountants

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: 20/12/18.....

Keskowethyans Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	2,223	11,433	30,571	44,227
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	2,379	1,198,866	-	1,201,245
Other trading activities	4	22,864	-	-	22,864
Insurance income	6	-	9,711	-	9,711
Total		27,466	1,220,010	30,571	1,278,047
Expenditure on:					
Raising funds	7	25,912	11,867	-	37,779
<i>Charitable activities:</i>					
Academy trust educational operations	9	-	1,371,208	847,807	2,219,015
Other	8	31,955	-	-	31,955
Total		57,867	1,383,075	847,807	2,288,749
Gains/losses on investment assets		-	-	100	100
Net expenditure		(30,401)	(163,065)	(817,136)	(1,010,602)
Transfers between funds		(22,308)	22,308	-	-
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	25	-	131,000	-	131,000
Net movement in deficit		(52,709)	(9,757)	(817,136)	(879,602)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		52,709	(396,146)	3,769,040	3,425,603
Total (deficit)/funds carried forward at 31 August 2018		-	(405,903)	2,951,904	2,546,001

Keskowethyans Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)


	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	1,249	11,433	175,154	187,836
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	7,676	1,250,107	-	1,257,783
Other trading activities	4	47,580	24,844	-	72,424
Investments	5	32	-	-	32
Insurance income	6	-	10,940	-	10,940
Total		56,537	1,297,324	175,154	1,529,015
Expenditure on:					
Raising funds	7	20,228	16,344	-	36,572
<i>Charitable activities:</i>					
Academy trust educational operations	9	-	1,449,900	114,545	1,564,445
Total		20,228	1,466,244	114,545	1,601,017
Net income/(expenditure)		36,309	(168,920)	60,609	(72,002)
Transfers between funds		(5,303)	109,995	(104,692)	-
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	25	-	121,000	-	121,000
Net movement in funds		31,006	62,075	(44,083)	48,998
Reconciliation of funds					
Total funds brought forward at 1 September 2016		21,703	(458,221)	3,813,123	3,376,605
Total funds carried forward at 31 August 2017		52,709	(396,146)	3,769,040	3,425,603

Keskowethyans Multi Academy Trust

(Registration number: 08872161)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	2,888,480	3,695,584
Current assets			
Debtors	15	53,521	84,794
Cash at bank and in hand		<u>85,943</u>	<u>301,695</u>
		139,464	386,489
Creditors: Amounts falling due within one year	16	<u>(140,943)</u>	<u>(251,470)</u>
Net current (liabilities)/assets		<u>(1,479)</u>	<u>135,019</u>
Total assets less current liabilities		<u>2,887,001</u>	<u>3,830,603</u>
Net assets excluding pension liability		2,887,001	3,830,603
Defined benefit pension scheme liability	25	<u>(341,000)</u>	<u>(405,000)</u>
Total assets		<u><u>2,546,001</u></u>	<u><u>3,425,603</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(64,903)	8,854
Restricted fixed asset fund		2,951,904	3,769,040
Restricted pension fund		<u>(341,000)</u>	<u>(405,000)</u>
		2,546,001	3,372,894
Unrestricted funds			
Unrestricted general fund		-	<u>52,709</u>
Total funds		<u><u>2,546,001</u></u>	<u><u>3,425,603</u></u>

The financial statements on pages 24 to 58 were approved by the Trustees, and authorised for issue on 20/12/18 and signed on their behalf by:


.....
Mrs P Miller
Governor and trustee

Keskowethyans Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(205,720)	48,537
Cash flows from investing activities	22	<u>(10,032)</u>	<u>12,863</u>
Change in cash and cash equivalents in the year		(215,752)	61,400
Cash and cash equivalents at 1 September		<u>301,695</u>	<u>240,295</u>
Cash and cash equivalents at 31 August	23	<u><u>85,943</u></u>	<u><u>301,695</u></u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Keskowethyans Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The Academy ceased to operate on 1 September 2018 when the academy transferred its activities and net assets to Southerly Point Co-operative Multi Academy Trust (with the exception of the freehold land and buildings at the former St Martin in Meneage School). In light of this, the accounts have not been prepared on a going concern basis.

An impairment loss of £736,201 was recognised in respect of the freehold land and buildings at the former St Martin in Meneage School relating to the anticipated transfer of this asset back to Cornwall Council for £nil consideration. No other material adjustments arose as a result of ceasing to apply the going concern basis as the other assets were transferred out at net book value to Southerly Point Co-operative Multi Academy Trust for continuing school use.

Income

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the 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 the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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 Grade Ruan school premises are leased from the Diocese of Truro on a Church Supplemental Agreement that can be cancelled giving two years notice. The Academy Accounts Direction guidance indicates that the Academy Trust should only recognise the land and buildings on their balance sheet if they have control over access and capital projects. The Church Supplemental agreement indicates that the Diocese still maintains control of the land and buildings as they have the right to consent to capital projects. Therefore the land and buildings have not been included on the balance sheet. A notional rent income and expense estimated at 2% of the value has been included to reflect the use of the buildings.

Capital improvements to the buildings carried out by the Trust are capitalised as fixed assets and depreciated over two years in line with the Church Supplemental Agreement. Relocatable Elliot buildings on Diocese land are depreciated in line with other leasehold land and buildings, at the rates shown below.

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
Plant and equipment	3-4 years straight line

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Liabilities

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

Leased assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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 2018 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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

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 funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The Academy Trust acts as an agent in distributing catering income received from students and staff to Chartwells. Payments received from students and staff are excluded from the statement of financial activities as the Academy Trust does not have control over income. The Academy Trust does not take any allocation towards administration costs. The funds received and paid and any balances held are disclosed in note 28.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Capital grants	-	-	30,571	30,571	135,154
Other donations	2,223	11,433	-	13,656	52,682
	<u>2,223</u>	<u>11,433</u>	<u>30,571</u>	<u>44,227</u>	<u>187,836</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	982,998	982,998	1,128,671
Other DfE grants	-	151,846	151,846	67,532
Pupil Premium	-	36,508	36,508	37,857
	-	1,171,352	1,171,352	1,234,060
Other government grants				
LA grants	2,379	22,003	24,382	9,967
Non-government grants and other income				
Educational trips and visits	-	5,511	5,511	13,756
Total grants	<u>2,379</u>	<u>1,198,866</u>	<u>1,201,245</u>	<u>1,257,783</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted funds £	Total 2017/18 £	Total 2016/17 £
Hire of facilities	2,640	2,640	1,818
Uniform sales	1,598	1,598	330
Nursery income	4,141	4,141	19,803
Other income	8,478	8,478	44,694
After school club income	6,007	6,007	5,779
	<u>22,864</u>	<u>22,864</u>	<u>72,424</u>

5 Investment income

	2017/18 Total £	2016/17 Total £
Investment income	<u>-</u>	<u>32</u>

6 Other charitable activities

	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Insurance income	<u>9,711</u>	<u>9,711</u>	<u>10,940</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Resources expended

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other costs	2017/18	2016/17
	£	£	£	£	£
Expenditure on raising funds	36,657	-	1,122	37,779	36,572
Academy's educational operations					
Direct costs	849,439	-	48,447	897,886	980,836
Allocated support costs	203,368	251,736	866,025	1,321,129	583,609
Other expenditure	-	-	31,955	31,955	-
	<u>1,089,464</u>	<u>251,736</u>	<u>947,549</u>	<u>2,288,749</u>	<u>1,601,017</u>

Net income/(expenditure) for the year includes:

	2017/18	2016/17
	£	£
Fees payable to auditor - audit	4,393	4,244
- other services	8,505	7,011
Profit/(loss) on disposal of tangible fixed assets	100	-
Depreciation	111,606	114,545
Loss on impairment of fixed assets	<u>736,201</u>	<u>-</u>

8 Other expenditure

Other expenditure for the year includes:

	2017/18	2016/17
	£	£
Bad Debt Write Off	7,004	-
Loan repayments to Cornwall Council, not previously identified	24,951	-
	<u>31,955</u>	<u>-</u>

The bad debts written off during the year represent unrecoverable amounts. These were ultimately offset by amounts of non specific income recovered from a former employee as reported in the prior year's accounts. No individual balance exceeded £5,000.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Charitable activities

	Restricted funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Direct costs				
Teaching and educational support staff costs	849,439	-	849,439	923,418
Educational supplies	8,875	-	8,875	11,065
Staff development	1,983	-	1,983	1,930
Technology costs	684	-	684	2,757
Other direct costs	23,012	-	23,012	25,145
Educational visits	13,893	-	13,893	16,521
	<u>897,886</u>	<u>-</u>	<u>897,886</u>	<u>980,836</u>
Allocated support costs				
Support staff costs	146,368	-	146,368	127,569
Defined benefit pension scheme service cost adjustment	57,000	-	57,000	50,000
Depreciation	-	111,606	111,606	114,545
Maintenance of premises and equipment	31,065	-	31,065	23,812
Cleaning	36,675	-	36,675	36,872
Rent and rates	30,235	-	30,235	29,821
Energy costs	20,146	-	20,146	8,345
Insurance	22,009	-	22,009	22,979
Technology costs	18,321	-	18,321	37,471
Recruitment and support	681	-	681	660
Security and transport	5,642	-	5,642	6,952
Catering	36,692	-	36,692	46,130
Bank interest and charges	95	-	95	94
Interest on defined benefit pension scheme	10,000	-	10,000	10,000
Professional fees	20,435	-	20,435	33,746
Other support costs	37,958	-	37,958	34,613
Impairment loss	-	736,201	736,201	-
	<u>473,322</u>	<u>847,807</u>	<u>1,321,129</u>	<u>583,609</u>
	<u>1,371,208</u>	<u>847,807</u>	<u>2,219,015</u>	<u>1,564,445</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	791,932	844,810
Social security costs	65,030	70,454
Operating costs of defined benefit pension schemes	203,072	196,849
	<u>1,060,034</u>	<u>1,112,113</u>
Supply teacher costs	27,906	25,497
Staff restructuring costs	1,524	-
	<u>1,089,464</u>	<u>1,137,610</u>
		2018 £

Staff restructuring costs comprise:

Redundancy payments	<u>1,524</u>
---------------------	--------------

Staff numbers

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

	2018 No	2017 No
Charitable Activities		
Teachers	21	20
Administration and teaching support	30	33
Management	<u>2</u>	<u>3</u>
	<u>53</u>	<u>56</u>

Higher paid staff

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

	2018 No
£60,001 - £70,000	<u>1</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 Staff (continued)

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £132,117 (2017: £173,904).

11 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:

The costs of central services is charged to the academies in proportion to the General Annual Grant

The actual amounts charged during the year were as follows:

	2017/18
	£
Coverack Community Primary School	63,219
Grade-Ruan Church of England Primary School	100,123
Manaccan Primary School	72,438
St Keverne Community Primary School	106,222
St Martin-in-Meneage Primary School	23,194
	<hr/>
	365,196

12 Related party transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

Mrs W Sherlock (Headteacher and trustee):

Remuneration: £65,000 - £70,000 (2017 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £5,000 - £10,000)

Mr T Harman (Headteacher (until 30 April 2017) and trustee):

Remuneration: £Nil (2017 - £45,000 - £50,000)

Employer's pension contributions: £Nil (2017 - £5,000 - £10,000)

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

During the year no expenses were reimbursed to trustees.

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

13 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 for an unlimited amount. The cost of the combined curriculum policy for the period ended 31 August 2018 was £3,714 (2017: £4,083). 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 2018 (continued)

14 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture, fittings and equipment £	Plant and equipment £	Total £
Cost					
At 1 September 2017	805,554	3,068,685	50,161	155,001	4,079,401
Additions	-	36,441	-	4,262	40,703
Disposals	-	-	-	(2,009)	(2,009)
At 31 August 2018	<u>805,554</u>	<u>3,105,126</u>	<u>50,161</u>	<u>157,254</u>	<u>4,118,095</u>
Depreciation and impairment					
At 1 September 2017	53,887	200,471	23,530	105,929	383,817
Charge for the year	15,466	61,399	9,143	25,598	111,606
Eliminated on disposals	-	-	-	(2,009)	(2,009)
Impairment loss	<u>736,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,201</u>
At 31 August 2018	<u>805,554</u>	<u>261,870</u>	<u>32,673</u>	<u>129,518</u>	<u>1,229,615</u>
Net book value					
At 31 August 2018	<u>-</u>	<u>2,843,256</u>	<u>17,488</u>	<u>27,736</u>	<u>2,888,480</u>
At 31 August 2017	<u>751,667</u>	<u>2,868,214</u>	<u>26,631</u>	<u>49,072</u>	<u>3,695,584</u>

An impairment loss on Freehold Land and Buildings was recognised in expenditure during the period due to the anticipated transfer of the former St Martin in Meneage land and buildings to Cornwall Council for £nil consideration, following its closure during the year.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Debtors

	2018 £	2017 £
Trade debtors	5,396	10,459
Prepayments	23,982	31,146
Accrued grant and other income	6,353	22,223
VAT recoverable	17,790	20,966
	<u>53,521</u>	<u>84,794</u>

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	21,114	87,415
Other taxation and social security	15,633	16,898
Other creditors	20,867	20,309
ESFA creditor	37,148	-
Accruals	16,901	99,607
Deferred income	29,280	27,241
	<u>140,943</u>	<u>251,470</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	27,241	28,387
Resources deferred in the period	29,280	27,241
Amounts released from previous periods	<u>(27,241)</u>	<u>(28,387)</u>
Deferred income at 31 August 2018	<u>29,280</u>	<u>27,241</u>

Deferred income held at the year end date relates to Universal Infant Free School Meals funding received in advance of the 2018 academic and financial year, together with notional donations in respect of the Diocese land and buildings.

Loans of £37,148 from ESFA which is provided on the following terms: an interest free loan to be repaid in 12 monthly instalments starting in September 2018. This loan is included in creditors above under 'ESFA creditor'.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	982,998	(1,118,644)	70,160	(65,486)
Other DfE revenue grants	-	151,846	(103,994)	(47,852)	-
Other LA grants	-	9,256	(9,256)	-	-
Educational trips and visits	8,854	5,511	(13,782)	-	583
Notional rent	-	11,433	(11,433)	-	-
Other income	-	21,578	(21,578)	-	-
Pupil Premium	-	37,388	(37,388)	-	-
	<u>8,854</u>	<u>1,220,010</u>	<u>(1,316,075)</u>	<u>22,308</u>	<u>(64,903)</u>
Restricted fixed asset funds					
DfE capital grants	106,283	18,034	(12,707)	-	111,610
Assets transferred on conversion	3,205,548	-	(807,957)	2,186	2,399,777
Other donations / grants	50,954	-	(19,538)	(2,186)	29,230
Fixed assets purchased since conversion	293,426	-	(5,731)	100	287,795
Condition Improvement Fund	<u>112,829</u>	<u>12,537</u>	<u>(1,874)</u>	<u>-</u>	<u>123,492</u>
	3,769,040	30,571	(847,807)	100	2,951,904
Restricted pension funds					
Pension fund	<u>(405,000)</u>	<u>-</u>	<u>(67,000)</u>	<u>131,000</u>	<u>(341,000)</u>
Total restricted funds	3,372,894	1,250,581	(2,230,882)	153,408	2,546,001
Unrestricted funds					
Unrestricted general funds	<u>52,709</u>	<u>27,466</u>	<u>(57,867)</u>	<u>(22,308)</u>	<u>-</u>
Total funds	<u>3,425,603</u>	<u>1,278,047</u>	<u>(2,288,749)</u>	<u>131,100</u>	<u>2,546,001</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	1,128,671	(1,229,567)	100,896	-
Other DfE revenue grants	-	67,532	(71,897)	4,365	-
Other LA grants	-	2,291	(2,291)	-	-
Educational trips and visits	7,779	13,755	(12,680)	-	8,854
Notional rent	-	11,433	(11,433)	-	-
Other income	-	35,785	(32,285)	(3,500)	-
Pupil Premium	-	37,857	(46,091)	8,234	-
	<u>7,779</u>	<u>1,297,324</u>	<u>(1,406,244)</u>	<u>109,995</u>	<u>8,854</u>
Restricted fixed asset funds					
DfE capital grants	52,614	22,325	(11,720)	43,064	106,283
Assets transferred on conversion	3,285,437	-	(79,889)	-	3,205,548
Other LA on conversion	107,610	-	-	(107,610)	-
Other donations / grants	21,379	40,000	(13,343)	2,918	50,954
Fixed assets purchased since conversion	346,083	-	(9,593)	(43,064)	293,426
Condition Improvement Fund	-	112,829	-	-	112,829
	<u>3,813,123</u>	<u>175,154</u>	<u>(114,545)</u>	<u>(104,692)</u>	<u>3,769,040</u>
Restricted pension funds					
Pension fund	(466,000)	-	(60,000)	121,000	(405,000)
Total restricted funds	<u>3,354,902</u>	<u>1,472,478</u>	<u>(1,580,789)</u>	<u>126,303</u>	<u>3,372,894</u>
Unrestricted funds					
Unrestricted general funds	<u>21,703</u>	<u>56,537</u>	<u>(20,228)</u>	<u>(5,303)</u>	<u>52,709</u>
Total funds	<u><u>3,376,605</u></u>	<u><u>1,529,015</u></u>	<u><u>(1,601,017)</u></u>	<u><u>121,000</u></u>	<u><u>3,425,603</u></u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	2,111,669	(2,348,211)	171,056	(65,486)
Other DfE revenue grants	-	219,378	(175,891)	(43,487)	-
Other LA grants	-	11,547	(11,547)	-	-
Educational trips and visits	7,779	19,266	(26,462)	-	583
Notional rent	-	22,866	(22,866)	-	-
Other income	-	57,363	(53,863)	(3,500)	-
Pupil Premium	-	75,245	(83,479)	8,234	-
	<u>7,779</u>	<u>2,517,334</u>	<u>(2,722,319)</u>	<u>132,303</u>	<u>(64,903)</u>
Restricted fixed asset funds					
DfE capital grants	52,614	40,359	(24,427)	43,064	111,610
Assets transferred on conversion	3,285,437	-	(887,846)	2,186	2,399,777
Other LA on conversion	107,610	-	-	(107,610)	-
Other donations / grants	21,379	40,000	(32,881)	732	29,230
Fixed assets purchased since conversion	346,083	-	(15,324)	(42,964)	287,795
Condition Improvement Fund	-	125,366	(1,874)	-	123,492
	<u>3,813,123</u>	<u>205,725</u>	<u>(962,352)</u>	<u>(104,592)</u>	<u>2,951,904</u>
Restricted pension funds					
Pension fund	<u>(466,000)</u>	<u>-</u>	<u>(127,000)</u>	<u>252,000</u>	<u>(341,000)</u>
Total restricted funds	3,354,902	2,723,059	(3,811,671)	279,711	2,546,001
Unrestricted funds					
Unrestricted general funds	<u>21,703</u>	<u>84,003</u>	<u>(78,095)</u>	<u>(27,611)</u>	<u>-</u>
Total funds	<u>3,376,605</u>	<u>2,807,062</u>	<u>(3,889,766)</u>	<u>252,100</u>	<u>2,546,001</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 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, Universal Infant Free School Meals and ESFA Deficit Funding grants which were fully expended in the period in line with purposes.

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.

Other income includes income received from insurance to be spent in line with purposes.

Notional rent reflects a notional rent donation and rental charge in respect of Diocese land and buildings.

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 Multi Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Transfers between funds

£47,852 has been transferred from ESFA Deficit Funding to GAG to ensure that the deficit is reduced. This is in line with the grant's purpose.

£22,308 has been transferred from Unrestricted funds to GAG to ensure that the deficit is reduced.

The Academy Trust is carrying a net deficit of £64,903 on restricted general funds (excluding pension reserve) plus unrestricted funds. In order to address these deficits the Academy Trust has transferred to Southerly Point Co-Operative Multi Academy Trust on 1 September 2018.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total £
Coverack Community Primary School	110,725
Grade-Ruan Church of England Primary School	53,322
Manaccan Primary School	(135,432)
St Keverne Community Primary School	(61,928)
St Martin-in-Meneage Primary School	<u>(31,590)</u>
Total before fixed assets and pension reserve	(64,903)
Fixed Asset Funds	2,951,904
Pension fund	<u>(341,000)</u>
Total	<u><u>2,546,001</u></u>

St Keverne is carrying a net deficit of £61,928 on these funds because expenditure has exceeded brought forward funds and income received in the year.

Since the year end the school is now part of Southerly Point Co-Operative MAT who are now responsible for the management of the finances and returning the academy to surplus.

Manaccan Primary School is carrying a net deficit of £135,432 on these funds because expenditure has exceeded brought forward funds and income received in the year.

The academy is now part of Southerly Point Co-Operative MAT who are now responsible for the management of the finances and returning the academy to surplus.

St Martin in Meneage Primary School is carrying a net deficit of £31,590 on these funds because expenditure has exceeded brought forward funds and income received in the year.

Due to the very small number of pupils on roll the school became too small to be educationally and operationally viable. The Trust and Department for Education took the decision to close the academy during the year.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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 2018 £	Total 2017 £
Coverack Community Primary School	142,546	20,284	2,149	37,356	202,334	186,782
Grade-Ruan Church of England Primary School	199,751	26,407	2,359	67,691	296,208	276,648
Manaccan Primary School	151,237	18,656	2,348	70,835	243,076	251,030
St Keverne Community Primary School	204,253	36,593	1,793	48,826	291,465	261,144
St Martin-in-Meneage Primary School	21,864	1,493	226	755,281	778,864	168,768
Central services	129,788	99,935	-	135,473	365,196	342,100
Academy Trust	<u>849,439</u>	<u>203,368</u>	<u>8,875</u>	<u>1,115,462</u>	<u>2,177,143</u>	<u>1,486,472</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	2,888,480	2,888,480
Current assets	76,040	63,424	139,464
Current liabilities	(140,943)	-	(140,943)
Pension scheme liability	(341,000)	-	(341,000)
Total net assets	(405,903)	2,951,904	2,546,001

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,695,584	3,695,584
Current assets	52,709	173,328	160,452	386,489
Current liabilities	-	(164,474)	(86,996)	(251,470)
Pension scheme liability	-	(405,000)	-	(405,000)
Total net assets	52,709	(396,146)	3,769,040	3,425,603

19 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	-	35,606

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Financial commitments

Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	1,662	10,795
Amounts due between one and five years	-	31,662
Amounts due after five years	-	11,875
	<u>1,662</u>	<u>54,332</u>

During the year, one of the Academies within the trust, St Martin-in-Meneage, was closed. At this point the lease for the land was surrendered and a termination fee of £7,500 arose.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

21 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2017/18 £	2016/17 £
Net expenditure	(1,010,602)	(72,002)
Depreciation	111,606	114,545
Capital grants from DfE and other capital income	(30,571)	(175,154)
Interest receivable	-	(32)
Defined benefit pension scheme obligation inherited	57,000	50,000
Defined benefit pension scheme finance cost	10,000	10,000
Decrease in debtors	31,273	8,275
(Decrease)/increase in creditors	(110,527)	112,905
Profit on disposal of tangible fixed assets	(100)	-
Impairment loss	736,201	-
Net cash (used in)/provided by Operating Activities	<u>(205,720)</u>	<u>48,537</u>

22 Cash flows from investing activities

	2017/18 £	2016/17 £
Purchase of tangible fixed assets	(40,703)	(162,323)
Sale of tangible fixed assets	100	-
Capital grants from DfE	30,571	135,154
Investments	-	32
Capital grants from others	-	40,000
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(10,032)</u>	<u>12,863</u>

23 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>85,943</u>	<u>301,695</u>
Total cash and cash equivalents	<u>85,943</u>	<u>301,695</u>

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.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations

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

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

Contributions amounting to £16,850 (2017: £17,186) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £76,073 (2017: £79,959).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £76,000 (2017 - £75,000), of which employer's contributions totalled £60,000 (2017 - £59,000) and employees' contributions totalled £16,000 (2017 - £16,000). The agreed contribution rates for future years are 17.5% plus £12,600 for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	2.40	2.50
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>2.80</u>	<u>2.50</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.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2018 £	At 31 August 2017 £
Discount rate -0.5%	144,000	136,000
Salary rate +0.5%	16,000	18,000
Pension rate +0.5%	<u>126,000</u>	<u>117,000</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 2018	At 31 August 2017
Retiring today		
Males retiring today	22.10	22.10
Females retiring today	24.50	24.50
Retiring in 20 years		
Males retiring in 20 years	24.00	24.00
Females retiring in 20 years	<u>26.40</u>	<u>26.40</u>

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2018 £	2017 £
Equities	340,550	276,000
Corporate bonds	298,850	252,000
Property	48,650	41,000
Cash and other liquid assets	6,950	18,000
Total market value of assets	<u>695,000</u>	<u>587,000</u>

The actual return on scheme assets was £1,000 (2017 - £1,000).

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017/18 £	2016/17 £
Current service cost	(117,000)	(109,000)
Interest income	16,000	12,000
Interest cost	<u>(26,000)</u>	<u>(22,000)</u>
Total amount recognised in the SOFA	<u>(127,000)</u>	<u>(119,000)</u>

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

	2017/18 £	2016/17 £
At start of period	992,000	978,000
Current service cost	117,000	109,000
Interest cost	26,000	22,000
Employee contributions	16,000	16,000
Actuarial (gain)/loss	(114,000)	(132,000)
Benefits paid	<u>(1,000)</u>	<u>(1,000)</u>
At 31 August	<u>1,036,000</u>	<u>992,000</u>

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

	2017/18 £	2016/17 £
At start of period	587,000	512,000
Interest income	16,000	12,000
Actuarial gain/(loss)	17,000	(11,000)
Employer contributions	60,000	59,000
Employee contributions	16,000	16,000
Benefits paid	<u>(1,000)</u>	<u>(1,000)</u>
At 31 August	<u>695,000</u>	<u>587,000</u>

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.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 12.

Keskowethyans Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

Aldridge Construction

(Owned by the husband of the School Business Manager)

During the period the academy incurred expenditure in relation to services received of £1,918 (2017: £1685). At the balance sheet date the amount due to Aldridge Construction was £Nil (2017: £Nil).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due to Aldridge Construction was £Nil (2017 - £Nil).

27 Events after the end of the reporting period

The net assets and activities of the Trust were transferred to Southerly Point Co-Operative Multi Academy Trust on 1 September 2018, with the exception of the freehold land and buildings at St Martin in Meneage school which are intended to be transferred back to Cornwall Council.

28 Agency arrangements

The Academy Trust receive funds from parents for school meals where the contract is between the parents and Chartwells. In the accounting period ending 31 August 2018 the Trust received £14,939 and disbursed £14,939 from the fund. There are no amounts owing at the year end.