

Kernow Learning Multi Academy Trust

Formerly known as The Learning Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2019

Company Registration number: 7394649 (England and Wales)

Kernow Learning Multi Academy Trust

Contents

Reference and Administrative Details	1 to 3
Trustees' Report	4 to 21
Governance Statement	22 to 25
Statement of Regularity, Propriety and Compliance	26
Statement of Trustees' Responsibilities	27
Independent Auditor's Report on the Financial Statements	28 to 30
Independent Reporting Accountant's Assurance Report on Regularity	31 to 32
Statement of Financial Activities incorporating Income and Expenditure Account	33 to 34
Balance Sheet	35
Statement of Cash Flows	36
Notes to the Financial Statements	37 to 64

Kernow Learning Multi Academy Trust

Reference and Administrative Details

Members

S Tym (resigned 21 May 2019)
M Hurry
K Crosse
R May (resigned 21 May 2019)
Askel Veur
The Eden Project (appointed 21 May 2019)
T Lamb (appointed 21 May 2019)
A Basi (appointed 21 May 2019)

Trustees (Directors)

K Crosse (Chair of Board of Trustees)
S Tym (Vice Chair of Board of Trustees to 31 August 2019)
M Andrews (Chair of Finance and Audit Committee) (resigned 31 August 2019)
P McGovern (Vice Chair of Board of Trustees) (resigned 31 August 2019)
R Cowen (CEO) (resigned 31 August 2019)
P Wyatt
N Soden (resigned 12 October 2018)
S Eddy (resigned 14 September 2018)
P Mason (Vice Chair of Board of Trustees from 1 September 2019) (appointed 1 September 2019)
D Glynn (appointed 1 September 2019)
T Ovenden-Hope (appointed 1 September 2019)
M Smith (appointed 1 September 2019)
H Sykes (appointed 1 September 2019)
J Walker (CEO from 1 September 2019) (appointed 1 September 2019)

Accounting Officer and Chief Executive Officer

R Cowen (until 31 August 2019)
J Walker (from 1 September 2019)

Chief Operating Officer

C Ridehalgh

Senior Leadership of St. Newlyn East Learning Academy

C Crowle, Executive Headteacher
H Bearne, Head of School

Kernow Learning Multi Academy Trust

Reference and Administrative Details (continued)

Senior Leadership at Trenance Learning Academy

C Crowle, Headteacher

Senior Leadership at Foxhole Learning Academy

M Oakley, Headteacher

Senior Leadership at Falmouth Primary Academy

C Smith, Executive Headteacher

Senior Leadership at The Bishops' CEVA Learning Academy

C Smith, Executive Headteacher (until 31 December 2018)

M Bowen, Head of School (until 31 December 2018)

K Pitcher, Executive Headteacher (from 1 September 2018 until 31 August 2019)

A Richards, Headteacher (from 1 September 2019)

Senior Leadership at St. Merryn Primary School

K Pitcher, Executive Headteacher

A Brook and E Cudmore (resigned 31 August 2019), Head of School

Senior Leadership at Trevisker Primary School

K Pitcher, Executive Headteacher

C Thorpe, Head of School

Senior Leadership at Constantine Primary School

C Smith, Executive Headteacher

C Gilbert, Head of School

Senior Leadership at Mabe Primary School

P Hayes, Headteacher

Senior Leadership at Leedstown Primary School

N Neale, Headteacher

Kernow Learning Multi Academy Trust

Reference and Administrative Details (continued)

Company Secretary	C Ridehalgh
Company Registration Number	7394649
Registered Office	Trenance Road Newquay Cornwall TR7 2LU
Bankers	Lloyds Bank 234 Highstreet Exeter EX4 3NL
Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1UP
Independent Auditors	PKF Francis Clark Statutory Auditor North Quay House Sutton Harbour Plymouth PL4 0RA

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019.

The Annual Report serves the purpose of both a Trustees Report and a Directors Report under Company Law.

During the financial year 2018/19 the Multi Academy Trust operated ten primary academies in Cornwall.

Structure, governance and management

Constitution

Kernow Learning Multi Academy Trust (Kernow Learning) 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 Multi Academy Trust.

The Trustees of Kernow Learning are also the Directors of the charitable company for the purposes of company law.

The Multi Academy Trust prior to 23rd July 2019 was known as The Learning Academy Trust (TLAT) and prior to 26th February 2016 was known as Trenance Learning Academy Trust, it also made itself known as The Trenance Learning Academy Trust and TLAT.

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

Members' liability

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

Directors' indemnities

The Multi Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Multi Academy Trust also purchased and maintained liability insurance for its Trustees to cover the liability, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust.

Method of recruitment and appointment or election of Trustees

Trustees are appointed subject to the articles of association and subject to remaining eligible any person may be reappointed or re-elected.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Policies and procedures adopted for the induction and training of Trustees

Kernow Learning has an induction programme for Trustees and Local Advisory Board Members supported by mentoring from experienced Trustees. An annual skills audit and termly evaluation of Governance takes place at Trustee and Local Advisory Board level which includes a training needs analysis and the results of this aid any CPD (Continuing Professional Development) planning.

Organisational structure

In accordance with the Funding Agreement with the Education Funding Agency, an agency for the Department for Education, the Trustees of Kernow Learning are responsible for ensuring that high standard of corporate governance are maintained. They exercise their powers and functions with a view to fulfilling a strategic leadership role in the running of the Academies. The Board of Trustees have established a Scheme of Delegation for Local Advisory Boards of each academy to assist with the discharge of their responsibilities.

The Chief Executive Officer (CEO) is the Multi Academy Trust's Accounting Officer and with the support of the Senior Leadership Team of the Multi Academy Trust, is responsible for day to day management, the operation of the curriculum and executing any strategic decisions taken by the Board of Trustees, Local Advisory Boards and sub committees. The CEO of Kernow Learning oversees the work of the Executive Headteachers and Headteachers within each Academy. The CEO, aided by the Multi Academy Trust's Chief Operating Officer and each Academy's Senior Leadership Team controls the Academies at an executive level implementing the policies laid down by the Trustees and reporting back to them.

Trustees have a responsibility for determining, monitoring and keeping under review, the policies, plans and procedures within which the Multi Academy Trust operates. The Board of Trustees, are responsible for ensuring that the relevant statutory documents are delivered to Companies House in a timely manner, administering the Multi Academy Trust's finances and applying the income and property only for the purposes set out in the Governing Documents and participating in Trustees meetings. The Board of Trustees act within their powers as set out in the Company's Articles and in their capacity as Trustees of the Multi Academy Trust, under Charity law, accept ultimate responsibility for directing the affairs of the Multi Academy Trust ensuring that it is solvent, well-run and delivering the charitable outcomes for the benefit of the public for which it has been set up.

The Board of Trustees met nine times during the period under review. The Finance and Audit Committee met three times.

As part of the proposed merger with Atlantic Centre of Excellence Multi Academy Trust, Trustees formed a Joint Board to undertake work associated with the planned merger. This group met on 4 occasions between September 2018 and January 2019. Between February and July 2019 a Shadow Board of Trustees (appointed by the members of Kernow Learning) was formed and met on 4 occasions. This Board consisted of Directors from Atlantic Centre of Excellence Multi Academy Trust and trustees of The Learning Academy Trust (as then named) whom on 1 September 2019 become the Trustees of Kernow Learning Multi Academy Trust, The Learning Academy Trust having changed it names to Kernow Learning Multi Academy Trust on 23 July 2019.

Arrangements for setting pay and remuneration of key management personnel

Kernow Learning recognise that we are accountable to our beneficiaries, stakeholders, employees and the public and are committed to raising transparency and accountability. We have a duty to deliver our services effectively and maximise use of our resources and to do this we need to attract and retain suitably qualified people with the right skills, knowledge and experience.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Kernow Learning directly employ teachers and other allied professional support staff to work in our Academies. We are required to comply with the requirements of our funding agreement and the terms of the Academies Act of 2010. Kernow Learning have a whole school pay policy which sets out the framework for making decisions on employees' pay. It has been developed to comply with current legislation, the requirements of the School Teachers' Pay and Conditions Document (STPCD) the National Joint Council for Local Government Services and in accordance with the principles of public life - objectivity, openness and accountability.

When setting salaries, we take into account the knowledge, skills, and experience needed for the job and market forces affecting recruitment. We benchmark against available information such as comparable roles being advertised and benchmark against a range of our peers.

Trade union facility time

Relevant union officials

There were no (0) employees who were relevant union officials during the relevant period

Percentage of time spent on facility time

0% of time was spent on facility time during the relevant period

Percentage of pay bill spent on facility time

0% of the pay bill was spent on facility time during the relevant period

Paid trade union activities

There were no paid trade union activities during the relevant period

Related parties and other connected charities and organisations

Kernow Learning is a strategic partner within the Kernow Teaching School Alliance (KTSA) and Trenance Learning Academy is a designated teaching school. Partners in the KTSA are:

Newquay Education Trust, ACE Multi Academy Trust and Wave Academy Trust

Objectives and activities

Objects and aims

The main activity of Kernow Learning during the financial year 2018/19 was the operation of Trenance Learning Academy, St. Newlyn East Learning Academy, Falmouth Primary Academy, Foxhole Learning Academy, The Bishops C of E Learning Academy, St. Merryn Primary School, Trevisker Primary School, Mabe Primary School, Leedstown Primary School and Constantine Primary School.

The purpose is to educate individual children to their full potential and prepare them to be responsible citizens. All Academies operated by Kernow Learning are inclusive Academies and our facilities ensure access for all. The whole emphasis is on providing quality experiences leading to quality learning.

Objectives, strategies and activities

Kernow Learning has the strategic intent to build a Multi Academy Trust of well-matched, successful and ultimately outstanding Academies, operating in meaningful geographical hubs. These Academies will be providing quality experiences leading to quality learning resulting in good and outstanding education for all pupils. Each site builds respectful and strong links within their local community, meets the challenges of their particular context and ensures that all pupils make better than expected levels of progress as a result of consistently excellent teaching.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Trenance Learning Academy

Trenance Learning Academy is a mixed gender Academy providing Foundation Stage and Key Stage 1 education for 4-7 year olds in Newquay and the surrounding area. The Academy provides education for 390 pupils. Current number on roll is 370. An in-year operational capacity change was agreed to meet local demand for school places, raising the number of pupils in Y1 from 120 to 150. There are 107 pupils currently in YF, 118 in Y1 and 119 in Y2. Number on roll at the Spring Census 2019 totalled 387. Trenance Learning Academy is categorised as Outstanding by Ofsted and is a designated Teaching School and the Kernow English Hub.

Falmouth Primary Academy

Falmouth Primary Academy is a mixed gender Academy providing Foundation Stage, Key Stage One and Key Stage Two education for 3-11 year olds in the Falmouth and surrounding area. The Academy also has an Area Resource Base, which is a dedicated unit for children with complex learning needs. The current number on roll is 272 + 10 nursery children. Ofsted categorise the school as good with outstanding early years and personal development, behaviour and welfare. Ofsted states: The executive headteacher leads the school with determination and ambition. She is rightly proud of its many successes and the improvements in the quality of education.

Foxhole Learning Academy

Foxhole Learning Academy is a mixed gender Academy providing Primary Education for 4-11 year olds in Foxhole and the surrounding area. The Academy can provide education for 120 pupils. Foxhole has a higher than average mobility across the school. The current number on roll is 92. Following an Inspection on 19-20 September 2018 Ofsted categorised the school as Good the previous judgement being Requires Improvement. Ofsted's report states: Leaders have worked successfully to improve the standard of education at the school. As a result, current pupils are making good progress and achieving well.

St. Newlyn East Learning Academy

St. Newlyn East Learning Academy is a mixed gender Academy for children between the ages of 4-11. Children are taught in single age groups for the mornings. The current number of roll is 197. Ofsted categorise the school as Good and state: The executive headteacher and head of school are passionate about enabling pupils to discover, explore and learn in a caring environment.

The Bishops C of E Learning Academy

The Bishops C of E Learning Academy is a mixed gender Academy providing Foundation Stage, Key Stage One and Key Stage Two education for 3-11 year olds in the Newquay Area. The current number on roll is 360 + 10 nursery children. The Bishops school is categorised as Good and inspectors state: The leadership team has maintained the good quality of education since the last inspection.

Constantine Primary School

Constantine Primary school is a mixed gender Academy providing Primary Education for 4-11 year olds in Constantine and the surrounding area. The current number on roll is 175. Constantine is categorised as Good by Ofsted following its inspection in June 2019 and the report states: The pupils clearly enjoy attending Constantine Primary and are very proud of their school.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Leedstown CP School

Leedstown CP School is a mixed gender Academy providing Primary Education for 3-11 year olds in Leedstown and the surrounding area. Leedstown is categorised as Good by Ofsted. The current number on roll is 57 (plus 5 in the nursery).

Mabe School

Mabe School is a mixed gender Academy providing Primary Education for ages 3-11 in Mabe and the surrounding area. The current number on roll is 153 and 22 nursery. Mabe was inspected in June 2019 and was found to be inadequate because safeguarding was not judged to be effective. The school and trust responded immediately to the concerns with a rapid response action plan and the school expects to return to a rating of Good at its next inspection.

St Merryn School

St Merryn School is a mixed gender Academy providing Foundation Stage, Key Stage one and Key Stage Two education for 3-11 year olds in the St Merryn Area. The current number on roll is 136 with 22 Nursery children. St Merryn School continues to be Good by Ofsted with inspectors praising the school for the wide range opportunities that it provides for its pupils.

Trevisker Primary School

Trevisker Primary School is a mixed gender school providing Primary Education for 4-11 years old in Trevisker and the surrounding area. The current number on roll is 191. Trevisker school was re-inspected in May 2019 and continues to be categorised as Good. The report praises leadership for nurturing a strong and reflective staff team who are all equally passionate about putting children at the heart of their decision making.

Kernow Learning provides support to all Academies in the Multi Academy Trust with the aim of improving pupil attainment through:

- focusing on the development of the whole child by involving pupils, parents and staff in a supportive, aspirational, challenging and caring environment
- ensuring rapid improvement and promoting best practice through a shared approach to continued professional development (CPD)
- positively promoting and nurturing the spiritual, social, cultural and moral development of all pupils
- improving provision and outcomes
- continually evaluating, reviewing and where necessary revising the curriculum and structure to enhance the effectiveness of Kernow Learning
- raising the achievement and attainment of all pupils by a relentless improvement in the standard of education provided in all our schools
- developing a variety of strategies to encourage our pupils to be confident and effective lifelong learners

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Kernow Learning provides efficient, effective and coordinated business support to:

- drive down the costs of these services for each school and add value to the services they could access individually
- ensure more of the budget is focussed on direct teaching and learning costs
- comply with all legislative, statutory and commercial requirements in terms of curriculum and operational matters
- operate Kernow Learning in accordance with the Nolan principles of selflessness, integrity, Objectivity, Accountability, Openness, Honesty and Leadership

Public benefit

The Multi Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission. The key public benefit delivered by the Multi Academy Trust is the provision of an outstanding education for its pupils.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and performance

Kernow Learning Academy Trust is approved by the Department of Education as an appropriate organisation to sponsor an academy. This means that the Trust will support schools as a system leader in order to ensure that more children get the best possible start in life.

Key Performance Indicators

The following reports are taken from information provided by the CORE STATS team and a full site by site comparison is provided on Kernow Learning's website.

Ofsted***	Con	Fal	Fox	Lee	Mab	StM	SNE	Bis	TLA	Tre
Previous Grade	2	2	3	2	2	2	2	2	1	2
Current Grade	2	2	2	2	4	2	2	2	1	2

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

CoreStats report (Early Years, Y1 Phonics & KS1)

Kernow Learning Multi Academy Trust: 2016/17 - 2018/19 Summary - All pupils

Number of Infant/Primary schools at 8 Sept	
2016/17	9
2017/18	10
2018/19	10

EARLY YEARS

YEAR	% GLD	PUPIL DIFF	PUPIL COUNT
2016/17	73% (71%)	+7	(263 of 362 pupils)
2017/18	75% (72%)	+11	(293 of 392 pupils)
2018/19	74% (72%)	+7	(265 of 358 pupils)

Children achieving a GLD (good level of development) are those achieving at least the Expected level in all 'Prime Areas of Learning' - Communication & Language, Physical Development, Personal, Social & Emotional Development, Literacy & Maths.

PHONICS

YEAR	Y1 PHONICS (% WA)	PUPIL DIFF	PUPIL COUNT
2016/17	86% (81%)	+16	(288 of 335 pupils)
2017/18	84% (82%)	+7	(332 of 394 pupils)
2018/19	89% (82%)	+28	(356 of 401 pupils)

Y1 Phonics (% WA) indicates the percentage of pupils that were 'Working At' (WA) the Phonics Decoding standard at the end of Year 1.

KEY STAGE 1

Number of KS1 pupils with KS1 assessments	
2016/17	360
2017/18	362
2018/19	390

Reading/Writing/Maths % EXP+ indicates the percentage of pupils who received a teacher assessment in Reading/Writing/Maths of at least the Expected Standard at the end of KS1.

YEAR	READING % EXP+	P.D.	WRITING % EXP+	P.D.	MATHS % EXP+	P.D.
2016/17	78% (76%)	+7	66% (68%)	-7	75% (75%)	0
2017/18	74% (75%)	-3	70% (70%)	0	73% (76%)	-10
2018/19	73% (75%)	-7	62% (69%)	-27	72% (76%)	-15

KEY SIG - (95% confidence) NOT SIGNIFICANT SIG + (95% confidence)

The P.D./Pupil Diff (pupil difference) figure is the equivalent number of whole pupils below or above the national average. 2017, 2018 and 2019 national averages for all pupils are provided in brackets and are sourced from final DfE data (provisional data for 2019) with one exception - 2019 EY national averages are NCER indicative and should be treated with caution.

Report run on:
26/09/2019

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

CoreStats report (KS2)

Kernow Learning Multi Academy Trust: 2016/17 - 2018/19 Summary - All pupils

Number of Junior/Primary schools at 8 Sept	
2016/17	8
2017/18	9
2018/19	9

KEY STAGE 2

Number of KS2 pupils included in:				
YEAR	KS2 Attainment	Reading Prog	Writing Prog	Maths Prog
2016/17	172	167	167	167
2017/18	185	180	181	180
2018/19	186	179	180	179

% EXPECTED STANDARD (National Averages in brackets)								
YEAR	READING	P. D.	WRITING	P. D.	MATHS	P. D.	RWM	P. D.
2016/17	81% (72%)	+15	77% (76%)	+1	70% (75%)	-8	61% (61%)	0
2017/18	76% (75%)	+1	76% (78%)	-3	68% (76%)	-14	57% (64%)	-12
2018/19	73% (73%)	0	72% (78%)	-11	76% (79%)	-5	57% (65%)	-14

% HIGHER STANDARD (National Averages in brackets)								
YEAR	READING	P. D.	WRITING	P. D.	MATHS	P. D.	RWM	P. D.
2016/17	29% (25%)	+6	17% (18%)	-1	15% (23%)	-13	7% (9%)	-3
2017/18	27% (28%)	-1	18% (20%)	-3	14% (24%)	-18	6% (10%)	-7
2018/19	29% (27%)	+3	14% (20%)	-11	16% (27%)	-20	6% (11%)	-9

YEAR	AV. READING SCALED SCORE	AV. GPS SCALED SCORE	AV. MATHS SCALED SCORE
2016/17	105 (104)	105 (106)	103 (104)
2017/18	105 (105)	104 (106)	103 (104)
2018/19	105 (104)	104 (106)	104 (105)

YEAR	AV. READING PROGRESS	AV. WRITING PROGRESS	AV. MATHS PROGRESS
2016/17	0.8	-0.4	-1.7
2017/18	-1.2	-1.5	-2.5
2018/19	-0.1	-1.6	-1.7

KEY	SIG - (95% confidence)	NOT SIGNIFICANT	SIG + (95% confidence)
-----	------------------------	-----------------	------------------------

No significance testing has been conducted on the Reading/Maths scaled scores.
2017 and 2018 national averages for all pupils are provided in brackets and are sourced from final DfE data.
2019 national averages are from provisional DfE national data. 2019 average progress scores are based on capped pupil progress data (as per 2019 DfE methodology).

Report run on:
26/09/2019

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Trust Improvement Plan

Priorities for 2018-19

The key priorities for 2018-19 overlap and support the ongoing Strategic Priorities as set out on the Kernow Learning website. Sources of evidence for these Key Actions include: Ofsted Reports (if recent), Challenge Partner Reports, Ofsted Risk Analysis, School SEFs, School Academy Improvement Plans, Kernow Learning Scorecard, Core Stats Report, Trust Target Setting Report, MAT Improvement Capacity Framework software, Governance SEF software and Intelligence from Core Team Visits and Engagement with School Leaders. Below is a summary of the priorities and what progress has been made during 2018-19.

Priority 1: Trust Improvement Cycle
Vision – What are we trying to achieve? Trustees, trust leads, schools and their LABs are clear about the school improvement cycle and can evidence that it is effective in improving outcomes for pupils
Outcomes – What has been achieved? <ul style="list-style-type: none">a) All schools are effectively using a common approach to school self-evaluation (SEF) and school improvement planning through use of the new Academy Improvement Plan (AIP). Schools can evidence a strong link between their SEF and AIP.b) CEO Challenge Visits on the AIP and SEF are fully in place and effective in helping to improve school improvement activity and impact (including the impact of middle and senior leaders).c) All schools have a common question-set for the pupil, staff and parent stakeholder surveys and these are used effectively at both school and trust level to improve provision.d) Trustees (through their Standards and Achievement meetings) have received a termly progress report on the above to enable trustee questions and challenge.e) Schools are secure in their performance estimates and targets for each year group the new school improvement cycle is fully implemented and evaluated for effectiveness.

Priority 2: Leadership and Management (including governance)
Vision – What are we trying to achieve? That leadership and management, including governance, is highly effective at all levels in improving outcomes for pupils.
Outcomes – What has been achieved? <ul style="list-style-type: none">a) Clear guidance for each school LAB on its monitoring role and how to challenge and support linked into the new School Improvement Cycle.b) Every TLAT school expecting an Ofsted inspection has received Ofsted training.c) A TLAT programme of leadership training for middle and senior leaders (termly) to be focussed on the school improvement cycle (Priority 1).d) Common system of performance management.e) The SEND audit tool for Local Advisory Boards to enable each LAB to check their provision. A TLAT SEND professional lead was established.f) All recommendations from the TLAT Review of Governance are now fully in place.g) All TLAT schools have effective local governance working to the new RAISC Scheme of Delegation (introduced by Clare Ridehalgh and developed by the Governance Working Party).

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Priority 3: Disadvantaged Pupils
<p>Vision – What are we trying to achieve?</p> <p>As part of our commitment to raising the achievement of all children in our schools, we aim to improve outcomes for socially disadvantaged children so as to diminish any differences in achievement between them and others nationally.</p>
<p>Outcomes – What has been achieved?</p> <ul style="list-style-type: none">a) Termly CPD for Achievement Leads led by Andy Brumby.b) Quality assurance of the work of Achievement Leads (AB).c) Achievement Leads took part in a three-day CPD programme (EEF Maximising the Impact of Pupil Premium Leads).d) Schools have produced anonymised case studies to illustrate the impact of PP provision.e) Director of Achievement focus on barriers to learning in mathematics (school-based dialogue with key staff).f) Director of Achievement focus on pupil voice and book looks in schools (particular focus on mathematics).g) Local governance training provided by Andy Brumby.h) All NQTs have had training on the issues and strategies around disadvantaged pupils
Priority 4: MAT Improvement Capacity Framework
<p>Vision – What are we trying to achieve?</p> <p>The <i>MAT Improvement Capacity Framework</i> is a set of standards put together by a group of South-West CEOs and an external consultant backed by the DfE. The purpose of the standards is to enable MAT leaders to self-evaluate the quality of their school improvement capacity in order to generate key actions for improvement. Our vision is that TLAT meets the standard for fully in place in all aspects of the MAT Improvement Capacity Framework. In our initial self-evaluation against this framework we judged that:</p> <ul style="list-style-type: none">• TLAT is strongest in the areas of understanding of needs (1B), leading a culture of improvement (1C) building capacity for improvement (2A), practice-based professional learning (3C) and knowing schools quantitatively (5A).• Areas for development include clarity of purpose (1A), approaches to pedagogy (3A), leadership of teaching (3B) and the intentional use of assessment (4B).
<p>Outcomes – What has been achieved?</p> <ul style="list-style-type: none">i) Standardised approach to school self-evaluation and academy improvement planning complete with termly CEO monitoring.j) Strengthening of assessments, estimates and targets for all year groups and for all key performance indicators.k) Ofsted support (successful at Foxhole, St Newlyn East, Trevisker, Constantine and The Bishops).l) Implementation of the school improvement cycle.m) Stakeholder surveys (completed for pupils and parents, still being trialled and evaluated for staff).n) Common pupil benchmarking based on the proportions of pupils a) on track to achieve age related expectations, b) on track to achieve greater depth and c) making expected or better progress.o) Governance SEF (format updated, not yet fully in place because of changes to local boards).

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Priority 5: Mathematics
<p>Vision – What are we trying to achieve?</p> <p>All pupils achieve above the national average at the end of KS1 and KS2 and make better progress between KS1 and KS2 than pupils nationally from similar starting points.</p> <p>In terms of outcomes at the end of KS1, in 2018, TLAT was just below the national average (74% compared to 75%) but at the end of KS2 was 9% below the national average (67% compared to 76%). In terms of progress, the trust average was -2.5 in 2018.</p>
<p>Outcomes – What has been achieved?</p> <p>In terms of new practice:</p> <ul style="list-style-type: none">a) All schools have mathematics as a school improvement priority within their Academy Improvement Plan.b) CEO provided challenge to each school on their plans to improve outcomes for pupils in mathematics.c) KTSA Challenge Partners provided additional external scrutiny of both plans and progress around achievement in mathematics (termly).d) The Trust collated <i>Question Level Analysis</i> for each school to determine both Trust and School strengths and areas for development to determine potential CPD or school-to-school support.e) Sharing of best practice through the KTSA School Improvement Sessions, Maths Subject Leads and TEACH MEETS.f) Three schools worked on mastery through the Maths Hub (all other TLAT schools to join the Maths Hub for 2019-20).g) Achievement Board workshop with Chris Gould of the Maths Hub.h) Upskilling of some LAB members (for example around data analysis, in order to be able to offer effective challenge).i) Academy 11 virtual head provided challenge and support around the achievement of disadvantaged pupils in mathematics.j) TLAT Middle Leadership Programme to include some action research projects on raising attainment in mathematics.k) Monitoring of progress for both Age Related Expectations and Greater Depth. <p>In terms of KPI outcomes:</p> <ul style="list-style-type: none">a) KS1 maths has improved from 73% to 74% for age related expectations.b) KS1 maths has improved from 20% to 38% for greater depth (national is 22%).c) KS2 maths has improved by 10% from being well below national (67% compared to the national of 76%) to just above the national for 2018 at 77%.d) This improvement in outcomes for mathematics has also impacted on the combined KS2 RWM measure which has improved by 3%.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Priority 6: English Hub
<p>Vision – What are we trying to achieve?</p> <p>Every TLAT school will benefit from the English Hub designation so that a) standards in teaching and learning in early language, phonics and reading at all TLAT schools to be at least good and b) we raise outcomes for all pupils across TLAT in phonics and reading so that they are consistently above national.</p>
<p>Outcomes – What has been achieved?</p> <ul style="list-style-type: none"> a) Outcomes at Trenance remain above national across the board for all pupils and for disadvantaged pupils. Challenge partner reports for all 3 terms confirm that the school is still Outstanding. b) Positive outcomes demonstrated for TLAT schools working with the English Hub. c) The English Hub have worked with CAPH, TSCSW, CTST, LA, RSCSW and reached over 108 schools and 181 school leaders in the first year of operation. d) The English Hub have completed 38 audits with over 40 completed by the end of term and signed 17 of our Intensive support partners for 2019/2020 and this will be 20 by the end of July. e) The Hub has been RAG rated as Green by the DfE and our systems are being used as good practice across the network. Pamela Waters was appointed to the National English Hub council and now has a voice at a national level. The Hub have appointed 5 literacy specialists with 2 from TLAT, 1 from ACE, 1 from Rainbow and 1 from a LA school. We have signed our funding agreement with the Secretary of State for 2019/2020 agreeing funding of £447,411.

Acronyms and Terms		Explanation
ACE	Atlantic Centre of Excellence	A partner trust within the KTSA with whom we have begun discussions around integration and merger (CEO = Jennie Walker, Chair = Phil Mason)
AIP	Academy Improvement Plan	The new common template for each school to set out its improvement priorities and plans for the year
CPD	Continuing Professional Development	The range of school and trust strategies to improve the knowledge and skills of our staff.
KPI's	Key Performance Indicators	These include statutory pupil performance measures by which schools are held to account (e.g. end of key stage test results) but can be supplemented by trust-specific KPI's (for example, the combined Reading/Writing/Maths measure in other year groups apart from Year 6)
KTSA	Kernow Teaching School Alliance	The teaching school alliance that we belong to alongside ACE, NET and WAVE (formerly ACORN).
MICF	MAT Improvement Capacity Framework	A set of standards developed by CEOs in the South-West to enable multi-academy trusts to self-evaluate their capacity for school improvement. TLAT has designed a software version of MICF.
RAISC	Responsible, Accountable, Informed, Support, Consulted	A new approach to TLAT's Scheme of Delegation (introduced by Clare Ridehalgh) to give greater clarity and precision to the tasks and functions.
SEF	Self-Evaluation Form	A concise summary of how well the school is doing against the current Ofsted evaluation framework

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Going concern

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

Financial review

The Multi Academy Trust held fund balances at 31 August 2019 of £12,574,611 (2018: £13,302,065) comprising £14,836,145 (2018: £14,311,209) of restricted fixed asset funds, a surplus of £208,161 (2018: surplus £270,187) of restricted funds, £500,305 (2018: £502,669) of unrestricted funds and a pension reserve deficit of £2,970,000 (2018: £1,782,000).

In accordance with the Master and Supplemental Funding Agreements, the principal source of general funding with which to finance the operations of the Multi Academy Trust, is the Department for Education.

The Multi Academy Trust spent £772,820 (2018: £823,182) on fixed assets, primarily invested in the Nursery new build at St Newlyn East, a basic needs expansion project at Mabe and a sand and water garden in Falmouth.

For the period 2018/19, the Multi Academy Trust has received £552,916 (2018: £529,707) from the Department for Education and £11,345 (2018: £5,000) from the Local Authority through the Pupil Premium funding mechanism. This money has all been spent on the additional salary costs and other related support costs against the tracked assessed needs of this monitored group.

The pension fund is in a deficit with a closing balance of £2,970,000 (2018: £1,782,000). As a result of this deficit, additional contributions of £78,542 (2018: £72,617) were paid into the fund, which is included within charitable expenditure in the SOFA.

Reserves policy

The Board of Trustees reviewed the Reserves Policy in May 2018 and have set a capital and revenue reserves policy which will be reviewed every three years. The Board of Trustees as required will create specific capital reserves to fund future capital expenditure. The Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments to protect the Multi Academy Trust with regard to uncertainty of central government funding. The current level of free reserves is £500,305 (2018: £502,669).

Investment policy

The policy of Kernow Learning is to take a "no risks" approach with funds being kept in a UK clearing bank.

Principal risks and uncertainties

The principal risk facing the Multi Academy Trust is the future level of Government Funding. This risk is managed by careful control over budgeted expenditure which ensures that at Trust level a deficit does not arise for the year, combined with a prudent reserves policy. The Trustees also self-assess financial and governance arrangements by completing the Multi Academy Trust's Governance Self-Assessment Form at termly meetings and by complying with the latest issued Accounts Direction.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Risk Management

The Trustees of Kernow Learning have adopted a Risk Management Policy. This explains the Multi Academy Trust's underlying approach to risk management, documents and roles and responsibilities of the Trustees, the leadership team and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

In addition, it describes the process the Trustees will use to evaluate the effectiveness of the Multi Academy Trust's internal control procedures.

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Multi Academy Trust to respond to a variety of operational, financial and commercial risks. These elements include:

A. Policies and procedures

Attached to significant risks are a series of policies that underpin the internal control process. The policies are set by the Trustees and implemented and communicated by the Principal to staff. Written procedures support the policies where appropriate.

B. Termly reporting

Comprehensive termly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Team and the Board of Trustees if appropriate.

C. Business planning and budgeting

The business planning and budgeting process is used to set objectives, agree action plans and allocate resources. Progress towards meeting the Multi Academy Trust's development plan objectives is monitored regularly.

D. Risk Register (significant risks only)

This register helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the Multi Academy Trust. The document is formally appraised annually but emerging risks are added as required and improvement actions and risk indicators are monitored termly.

E. Internal Auditor (IA)

The IA will report to the Board of Trustees on internal controls and alert Trustees to any emerging issues. The IA is well placed to provide advice to the Board of Trustees on the effectiveness of the internal control system, including the Multi Academy Trust's system for the management of risk.

F. External audit

External audit provides feedback to the Board of Trustees on the operation of the internal financial controls reviewed as part of the annual audit.

G. Third party reports

From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The Trustees have appointed PKF Francis Clark to undertake additional control checks at each site on a biannual basis and undertake the self-assessed financial and governance arrangements by completing the Multi Academy Trust's Governance Self-Evaluation process at each termly meeting.

Fundraising

Kernow Learning generates the majority of its funds through grant application and allocation.

Individual Friends groups and Parent Teacher Associations associated with each of Kernow Learning's academies have income generated restricted funds for named schools by carrying out a range of events to suit individual academy needs. Events have included summer fairs, non-uniform days and school discos. These events have been supported by staff, parent and community volunteers. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We do not work with, or have oversight of, any commercial participators or professional fundraisers. We do ensure fundraising on our behalf conforms to recognised standards. We monitor and respond to any complaints as detailed in our complaints policy (no complaints relating to fundraising were received during the year 2018/19). Kernow Learning always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Plans for future periods

The priorities for 2018-19 were development of the trust improvement cycle, outcomes for disadvantaged pupils, leadership and management (including governance), the quality of the curriculum and standards in mathematics. A further priority was to secure the sustainability of the trust by merging with another trust, the Atlantic Centre of Excellence. Excellent progress was achieved during the year and the merged trust of 17 schools, Kernow Learning, began 1st September 2019.

The Board of Trustees have committed reserves to maintain the capacity of the Core team to allow for the growth and expansion of the Trust to embed these systems and structures and ensure sustainability as a Systems Leader. For all academies within Kernow Learning there is an expectation that cross trust shared working and allowable GAG pooling will continue.

The vision for Kernow Learning is around achieving the best possible outcomes for pupils through high quality support and challenge of our schools combined with effective staff development and engagement with local communities. Within the current context of funding pressures for all schools the vision is also about achieving financial sustainability and the continued provision of high quality services to our schools.

GAG monies that have been used to fund the central activities of the Trust will continue to be used to employ expert staff to provide educational support, drive through improved performance and the investment in the harmonisation of IT systems across the schools within the new Trust. Over time this will help to create the efficiencies of scale required to keep these costs to a minimum level, however the intention of Kernow Learning Multi Academy Trust is to retain surpluses to invest in academies within the Trust as required, to cover short-term financial deficits, or for capital investment purposes.

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The central team of Kernow Learning Multi Academy Trust provides functional support services through the combined staffing and management structure to support operational and strategic finance, HR, MIS, Estates, IT and Marketing departments on behalf of the Trust. In the year 2019/20, the Kernow Learning Multi Academy Trust will undertake a complete review of the combined centralised staffing and management structure to ensure that it provides high quality support to schools whilst remaining value for money.

From a marketing and communications perspective, the Trust coordinates activity across all schools and provides on-line and local communication plans to inform and attract new learners to the Trust's academies through a shared marketing approach. The intention is to retain the local, individual identity of each school, but to provide a common approach to activity and systems to drive through efficiencies whilst celebrating being part of a wider collective and collaborative organisation.

The Trustees of Kernow Learning Multi Academy Trust are committed to developing a Trust that benefits a wide community, but is also sustainable and successful and will be actively seeking to grow the Trust by continuing to engage schools that share a mutual ethos and vision. The Trustees will continue to work with the ESFA, DfE and partners at New Schools Network, Cornwall Council, the Eden Project and ECO-BOS regarding the opening of a proposed new Free School at the West Carclaze Garden Village site near St Austell.

Together we are currently 17 schools of around 4,355 pupils with the 18th (Sky) due to open as a free school:

ACE Beacon Primary	TLAT Constantine
ACE Charlestown	TLAT Falmouth
ACE St Agnes	TLAT Foxhole
ACE St Columb Major	TLAT Leedstown
ACE St Columb Minor	TLAT Mabe
ACE St Kew	TLAT St Newlyn East
ACE Upton Cross	TLAT St Merryn
ACE Sky (Free School, not yet open)	TLAT The Bishops
	TLAT Trevisker
	TLAT Trenance

Kernow Learning Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The new leadership team for Kernow Learning will agree trust priorities for 2019-20 and these will be included within each school's Academy Improvement Plan. Trustees of TLAT prior to the merger set out the following priorities based on a continuation of 2018-19 priorities and 2019 outcomes:

- 1) Provision for vulnerable groups should always be a priority (disadvantaged pupils, SEND, CIC, EAL, etc.) across all core subjects and the wider curriculum.
- 2) Writing at both KS1 and KS2 (including greater depth and the technical aspects of grammar, punctuation and spelling).
- 3) Curriculum review and development to ensure:
 - Broad and balanced provision
 - Subject progression
 - Planning for sequenced learning
 - Links between curriculum subjects
 - Opportunities for reading (especially) and writing and maths.
- 4) Support for the schools facing the greater challenges

Funds Held as Custodian Trustee on Behalf of Others

The Learning Academy Trust holds no assets or funds on behalf of other organisations as a Custodian Trustee.

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.

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

.....
K Crosse (Chair of Board of Trustees)
Trustee

Kernow Learning Multi Academy Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Kernow Learning 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 Board of Trustees, up to the 31st August 2019, delegated the day-to-day responsibility to R Cowen (CEO), 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 Kernow Learning Multi Academy Trust and the Secretary of State for Education. As of the 1st September 2019 the Board of Trustees have appointed J Walker as CEO and Accounting Officer. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Andrews (Chair of Finance and Audit Committee)	6	9
K Crosse	8	9
S Eddy	0	1
P McGovern (Vice Chair of Board of Trustees)	7	8
N Soden	4	4
S Tym	9	9
P Wyatt	7	9
R Cowen (CEO)	9	9

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to meet as and when necessary, but not less than once a term, and present a report to each meeting of the Board of Trustees. The committee assist in the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the board of Trustee's responsibility to ensure good management of the Academy's finances and resources, including proper planning, monitoring and probity. This committee has met three times during the year. Attendance at meetings during the year was as follows:

Kernow Learning Multi Academy Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
M Andrews (Chair of Finance and Audit Committee)	2	3
S Eddy	0	1
R Cowen (CEO)	3	3
S Tym	3	3
P McGovern (Vice Chair of Board of Trustees)	2	3
N Soden	1	1
P Wyatt	3	3

Review of Value for Money

As Accounting Officer the CEO 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 Multi Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Ensuring resources are directed where they will be most effective in achieving outcomes for pupils including, deploying staff efficiently to support school improvement and developments
- Reviewing contracts to ensure that they are still fit for purpose and best value for our schools. Driving down costs through better procurement and negotiation based on the economy of scale of the MAT through the financial year.
- Benchmarking the academy trust spend against other academies and ensuring significant variances are reviewed to provide assurance that the expense is appropriate to our academies and providing value for money.
- Collaborating with all academies within Kernow Learning and in our strategic partnership with the Kernow Teaching School Alliance to the delivery of strong system leadership and evidenced based improvement strategies to impact on performance.

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 Multi 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 Kernow Learning Multi Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Kernow Learning Multi Academy Trust

Governance Statement (continued)

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Governors have appointed PKF Francis Clark, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. In particular the checks carried out in the current period included the checking of controls in relation to income, purchases and payments, management reporting, payroll, the nominal ledger and any other areas specified by the Board of Trustees.

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

The Multi Academy Trust received two reports during the year and no material high significance control or other issues were reported.

Kernow Learning Multi Academy Trust

Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, J Walker (CEO) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the programme of internal control checking;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Multi 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 Purpose Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

.....
K Crosse (Chair of Board of Trustees)
Trustee

.....
J Walker (CEO)
Accounting officer

Kernow Learning Multi Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Kernow Learning Multi Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees of Kernow Learning Multi Academy Trust 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 2018.

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

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

.....
J Walker (CEO)
Accounting Officer

Date:.....

Kernow Learning Multi Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Kernow Learning 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 I 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 2018 to 2019;
- 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 of Trustees on and signed on its behalf by:

.....
K Crosse (Chair of Board of Trustees)
Trustee

Kernow Learning Multi Academy Trust

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

Opinion

We have audited the financial statements of Kernow Learning Multi Academy Trust (the 'Academy') for the year ended 31 August 2019, 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019; 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.

Conclusions relating to going concern

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

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

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.

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.

Kernow Learning Multi Academy Trust

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 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 27], 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.

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.

Kernow Learning Multi Academy Trust

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

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's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Katie Skea (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date:.....

Kernow Learning Multi Academy Trust

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

In accordance with the terms of our engagement letter dated 14 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kernow Learning Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kernow Learning Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kernow Learning 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 responsibility to anyone other than Kernow Learning Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kernow Learning Multi Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Kernow Learning Multi Academy Trust's funding agreement with the Secretary of State for Education dated 15 October 2010 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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.

Kernow Learning Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Kernow Learning 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Katie Skea
PKF Francis Clark, Chartered Accountants

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date:.....

Kernow Learning Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	10,352	60	799,750	810,162
<i>Charitable activities:</i>					
Funding for the Academy's educational operations	3	255,412	9,813,790	-	10,069,202
Teaching schools		-	255,617	-	255,617
Other trading activities	4	217,912	-	-	217,912
Investment income	5	829	-	-	829
Total		484,505	10,069,467	799,750	11,353,722
Expenditure on:					
Raising funds	6	209,048	-	-	209,048
<i>Charitable activities:</i>					
Academy trust educational operations	7	242,344	10,298,469	344,173	10,884,986
Teaching schools	29	-	181,142	-	181,142
Total		451,392	10,479,611	344,173	11,275,176
Net income/(expenditure)		33,113	(410,144)	455,577	78,546
Transfers between funds		(35,477)	(33,882)	69,359	-
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	26	-	(806,000)	-	(806,000)
Net movement in (deficit)/funds		(2,364)	(1,250,026)	524,936	(727,454)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		502,669	(1,511,813)	14,311,209	13,302,065
Total funds/(deficit) carried forward at 31 August 2019		500,305	(2,761,839)	14,836,145	12,574,611

Kernow Learning 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 £	Total 2018 £
Income and endowments from:					
Donations and capital grants	2	904	861	842,166	843,931
<i>Charitable activities:</i>					
Funding for the Academy's educational operations	3	234,451	8,885,553	-	9,120,004
Teaching schools		-	305,313	-	305,313
Other trading activities	4	215,948	-	-	215,948
Investment income	5	747	-	-	747
Total		452,050	9,191,727	842,166	10,485,943
Expenditure on:					
Raising funds	6	185,057	-	-	185,057
<i>Charitable activities:</i>					
Academy trust educational operations	7	209,097	9,441,533	318,522	9,969,152
Teaching schools		-	122,161	-	122,161
Total		394,154	9,563,694	318,522	10,276,370
Net income/(expenditure)		57,896	(371,967)	523,644	209,573
Transfers between funds		(39,550)	20,396	19,154	-
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	26	-	527,000	-	527,000
Net movement in funds		18,346	175,429	542,798	736,573
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		484,323	(1,687,242)	13,768,411	12,565,492
Total funds/(deficit) carried forward at 31 August 2018		<u>502,669</u>	<u>(1,511,813)</u>	<u>14,311,209</u>	<u>13,302,065</u>

Kernow Learning Multi Academy Trust

(Registration number: 7394649)

Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	10,719	14,247
Tangible assets	13	<u>14,643,374</u>	<u>14,211,198</u>
		<u>14,654,093</u>	<u>14,225,445</u>
Current assets			
Debtors	14	580,052	724,070
Cash at bank and in hand		<u>1,436,502</u>	<u>1,355,114</u>
		2,016,554	2,079,184
Creditors: Amounts falling due within one year	15	<u>(1,026,666)</u>	<u>(1,184,577)</u>
Net current assets		<u>989,888</u>	<u>894,607</u>
Total assets less current liabilities		15,643,981	15,120,052
Creditors: Amounts falling due after more than one year	16	<u>(99,370)</u>	<u>(35,987)</u>
Net assets excluding pension liability		15,544,611	15,084,065
Defined benefit pension scheme liability	26	<u>(2,970,000)</u>	<u>(1,782,000)</u>
Total assets		<u><u>12,574,611</u></u>	<u><u>13,302,065</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		208,161	270,187
Restricted fixed asset fund		14,836,145	14,311,209
Restricted pension fund		<u>(2,970,000)</u>	<u>(1,782,000)</u>
		12,074,306	12,799,396
Unrestricted funds			
Unrestricted general fund		<u>500,305</u>	<u>502,669</u>
Total funds		<u><u>12,574,611</u></u>	<u><u>13,302,065</u></u>

The financial statements on pages 33 to 64 were approved by the Trustees, and authorised for issue on and signed on their behalf by:

.....
K Crosse (Chair of Board of Trustees)
Trustee

Kernow Learning Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	21	(9,755)	(1,700)
Cash flows from investing activities	23	27,759	19,731
Cash flows from financing activities	22	<u>63,384</u>	<u>(7,197)</u>
Change in cash and cash equivalents in the year		81,388	10,834
Cash and cash equivalents at 1 September		<u>1,355,114</u>	<u>1,344,280</u>
Cash and cash equivalents at 31 August	24	<u><u>1,436,502</u></u>	<u><u>1,355,114</u></u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where 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 academy trust has provided the goods or services.

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

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 academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Intangible fixed assets

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Software	25% straight line

Tangible fixed assets

Tangible fixed assets are recognised on the balance sheet when it is deemed that the Academy Trust has control over the asset.

In the case of the school land and buildings at The Bishop's C of E Learning Academy, the Academy Trust has a license to occupy the premises, evidenced by a supplemental agreement between the Academy Trust, the Diocese and the Secretary of State.

Having perused the arrangement with the Diocese, the trustees have concluded that control of the school land and buildings is retained by the Diocese and therefore the land and building assets are not recognised on the balance sheet in respect of this Academy. Any capital improvement works undertaken to the building at The Bishop's C of E Learning Academy are recognised as site improvements and capitalised on the balance sheet.

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

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.

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.

Asset class	Depreciation method and rate
Freehold buildings	2% straight line
Leasehold buildings	2% straight line
Site improvements	2% straight line
Computer equipment	25% straight line
Furniture and equipment	25% straight line
Motor vehicles	20% straight line

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (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 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.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 14. 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 15 and 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.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

Fund accounting

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

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

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

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	-	799,750	799,750	842,166
Other donations	10,352	60	-	10,412	1,765
	<u>10,352</u>	<u>60</u>	<u>799,750</u>	<u>810,162</u>	<u>843,931</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

3 Funding for the Multi Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018/19 £	Total 2017/18 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	7,601,948	7,601,948	7,240,462
Other DfE/EFA grants	-	1,496,133	1,496,133	1,138,408
	-	9,098,081	9,098,081	8,378,870
Other government grants				
Other LA grants	-	593,303	593,303	377,050
Other government grants	-	-	-	20,000
	-	593,303	593,303	397,050
Non-government grants and other income				
Non grant income	255,412	122,406	377,818	344,084
Total grants	255,412	9,813,790	10,069,202	9,120,004

4 Other trading activities

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	19,767	19,767	30,287
Recharges and reimbursements	14,009	14,009	60,345
Other income	184,136	184,136	125,316
	217,912	217,912	215,948

5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	829	829	747

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure

	Non Pay Expenditure			2018/19 Total £	2017/18 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	192,685	7,000	9,363	209,048	185,057
Academy's educational operations					
Direct costs	6,492,338	-	748,386	7,240,724	6,616,945
Allocated support costs	1,510,555	1,043,160	1,090,547	3,644,262	3,352,207
Teaching School	-	-	181,142	181,142	122,161
	<u>8,195,578</u>	<u>1,050,160</u>	<u>2,029,438</u>	<u>11,275,176</u>	<u>10,276,370</u>

Net income/(expenditure) for the year includes:

	2018/19 £	2017/18 £
Operating leases - plant and machinery	17,985	10,148
Amortisation of intangible fixed assets	5,453	3,001
Fees payable to auditor - audit	10,000	10,000
- other audit services	18,640	13,225
Depreciation	<u>338,720</u>	<u>318,522</u>

7 Charitable activities

	Total 2018/19 £	Total 2017/18 £
Direct costs - educational operations	7,240,724	6,616,945
Support costs - educational operations	<u>3,644,262</u>	<u>3,352,207</u>
	<u>10,884,986</u>	<u>9,969,152</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities (continued)

	Educational operations £	Total 2018/19 £	Total 2017/18 £
Analysis of support costs			
Support staff costs	1,510,555	1,510,555	1,467,237
Depreciation	344,173	344,173	318,522
Technology costs	170,693	170,693	111,705
Premises costs	698,987	698,987	642,998
Other support costs	891,214	891,214	771,810
Governance costs	28,640	28,640	39,935
Total support costs	<u>3,644,262</u>	<u>3,644,262</u>	<u>3,352,207</u>

8 Staff

Staff costs

	2018/19 £	2017/18 £
Staff costs during the year were:		
Wages and salaries	6,091,357	5,726,056
Social security costs	506,846	474,943
Pension costs	1,386,014	1,348,723
	<u>7,984,217</u>	<u>7,549,722</u>
Supply teacher costs	211,361	172,431
	<u>8,195,578</u>	<u>7,722,153</u>

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	126	122
Administration and support	198	186
Management	7	8
	<u>331</u>	<u>316</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Higher paid staff

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

	2018/19	2017/18
	No	No
£60,001 - £70,000	1	3
£70,001 - £80,000	3	1
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</u>

The key management personnel of the Multi 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 Multi Academy Trust was £980,932 (2018 - £1,052,004).

9 Central services

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

- finance services
- head office facilities
- human resource services
- general premises support, including insurance
- business director services

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

- 5% General Annual Grant
- historical charges

The actual amounts charged during the year were as follows:

	2019
	£
Trenance Learning Academy	55,471
Falmouth Primary Academy	62,678
Foxhole Learning Academy	25,773
St Newlyn East Learning Academy	38,148
St Merryn School	25,584
Constantine Primary School	34,350
Leedstown Community Primary School	23,006
Mabe School	29,898
The Bishops C of E Learning Academy	57,431
Trevisker Primary School	<u>36,179</u>
	<u>388,518</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

10 Directors' 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:

R Cowen (CEO) (appointed 1 September 2017):

Remuneration: £100,000 - £105,000 (2018 - £95,000 - £100,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £15,000 - £20,000)

11 Directors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,958 (2018 - £766).

The cost of this insurance is included in the total insurance cost.

12 Intangible fixed assets

	Software £	Total £
Cost		
At 1 September 2018	19,889	19,889
Additions	1,924	1,924
At 31 August 2019	<u>21,813</u>	<u>21,813</u>
Amortisation		
At 1 September 2018	5,641	5,641
Charge for the year	5,453	5,453
At 31 August 2019	<u>11,094</u>	<u>11,094</u>
Net book value		
At 31 August 2019	<u>10,719</u>	<u>10,719</u>
At 31 August 2018	<u>14,248</u>	<u>14,248</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Site Improvements £	Total £
Cost							
At 1 September 2018	1,498,030	13,192,006	232,085	17,050	348,627	260,967	15,548,765
Additions	86,994	511,312	126,282	-	30,252	16,056	770,896
At 31 August 2019	<u>1,585,024</u>	<u>13,703,318</u>	<u>358,367</u>	<u>17,050</u>	<u>378,879</u>	<u>277,023</u>	<u>16,319,661</u>
Depreciation							
At 1 September 2018	80,605	848,738	130,629	15,843	258,232	3,520	1,337,567
Charge for the year	26,266	221,296	42,714	310	42,698	5,436	338,720
At 31 August 2019	<u>106,871</u>	<u>1,070,034</u>	<u>173,343</u>	<u>16,153</u>	<u>300,930</u>	<u>8,956</u>	<u>1,676,287</u>
Net book value							
At 31 August 2019	<u>1,478,153</u>	<u>12,633,284</u>	<u>185,024</u>	<u>897</u>	<u>77,949</u>	<u>268,067</u>	<u>14,643,374</u>
At 31 August 2018	<u>1,417,425</u>	<u>12,343,268</u>	<u>101,456</u>	<u>1,207</u>	<u>90,395</u>	<u>257,447</u>	<u>14,211,198</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Debtors

	2019 £	2018 £
Trade debtors	33,417	122,000
Prepayments and accrued income	412,347	459,676
VAT recoverable	131,781	139,530
Other debtors	2,507	2,864
	<u>580,052</u>	<u>724,070</u>

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	189,780	128,405
Other taxation and social security	111,084	125,292
Other creditors	7,197	75,760
Pension scheme creditor	130,991	111,913
Accruals	212,438	466,973
Deferred income	375,176	276,234
	<u>1,026,666</u>	<u>1,184,577</u>

Included within other creditors is a loan of £7,197 (2018 - £7,197) from Salix Finance Limited which is provided on the following terms: the loan is interest free and repayable over 8 years.

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	276,234	359,070
Resources deferred in the period	375,176	276,234
Amounts released from previous periods	<u>(276,234)</u>	<u>(359,070)</u>
Deferred income at 31 August 2019	<u>375,176</u>	<u>276,234</u>

Income has been deferred mainly in relation to the Universal Fee School Meal Fund. The deferral serves to recognise the income over the time periods to which it relates. Also included in deferred income is £42,813 of Parent Teacher Association (PTA) monies; where PTA monies are donated for the use of a specific school only, these monies are ring fenced accordingly so that they are spent on the specific school for its intended purpose.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Creditors: amounts falling due after one year

	2019 £	2018 £
Other creditors	<u>99,370</u>	<u>35,987</u>

Included within other creditors is a loan of £28,790 (2018 - £35,987) from Salix Finance Limited which is provided on the following terms: the loan is interest free and repayable over 8 years.

Also included in other creditors is a loan of £70,580 (2018 - £nil) from the Department for Education which is provided on the following terms: the loan incurs interest at 2.29% and is repayable over 10 years. Repayments have not been made as at the year end as the full amount of the loan is still to be received.

17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	7,601,947	(7,576,039)	(25,908)	-
Other DfE/ESFA revenue grants	40,653	1,496,135	(1,521,703)	-	15,085
LA and other restricted funds	46,382	715,768	(818,727)	56,577	-
Teaching School	<u>183,152</u>	<u>255,617</u>	<u>(181,142)</u>	<u>(64,551)</u>	<u>193,076</u>
	<u>270,187</u>	<u>10,069,467</u>	<u>(10,097,611)</u>	<u>(33,882)</u>	<u>208,161</u>
Restricted fixed asset funds					
Assets transferred from conversion	10,174,953	-	(178,029)	-	9,996,924
Assets purchased/ donated	4,051,722	-	(166,144)	763,828	4,649,406
DfE/ESFA capital grants	53,486	342,280	-	(222,210)	173,556
LA and other capital funds	<u>31,048</u>	<u>457,470</u>	<u>-</u>	<u>(472,259)</u>	<u>16,259</u>
	14,311,209	799,750	(344,173)	69,359	14,836,145
Restricted pension funds					
Pension Fund	<u>(1,782,000)</u>	<u>-</u>	<u>(382,000)</u>	<u>(806,000)</u>	<u>(2,970,000)</u>
Total restricted funds	12,799,396	10,869,217	(10,823,784)	(770,523)	12,074,306
Unrestricted funds					
Unrestricted general funds	<u>502,669</u>	<u>484,505</u>	<u>(451,392)</u>	<u>(35,477)</u>	<u>500,305</u>
Total funds	<u>13,302,065</u>	<u>11,353,722</u>	<u>(11,275,176)</u>	<u>(806,000)</u>	<u>12,574,611</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	7,240,462	(7,356,975)	116,513	-
Other DfE/ESFA revenue grants	149,808	1,138,408	(1,097,754)	(149,809)	40,653
LA and other restricted funds	55,950	507,544	(570,804)	53,692	46,382
Teaching School	-	305,313	(122,161)	-	183,152
	<u>205,758</u>	<u>9,191,727</u>	<u>(9,147,694)</u>	<u>20,396</u>	<u>270,187</u>
Restricted fixed asset funds					
Assets transferred from conversion	10,352,981	-	(178,028)	-	10,174,953
Assets purchased/ donated	3,367,906	-	(140,494)	824,310	4,051,722
DfE/ESFA capital grants	25,050	129,459	-	(101,023)	53,486
LA and other capital funds	22,474	712,707	-	(704,133)	31,048
	<u>13,768,411</u>	<u>842,166</u>	<u>(318,522)</u>	<u>19,154</u>	<u>14,311,209</u>
Restricted pension funds					
Pension Fund	(1,893,000)	-	(416,000)	527,000	(1,782,000)
Total restricted funds	12,081,169	10,033,893	(9,882,216)	566,550	12,799,396
Unrestricted funds					
Unrestricted general funds	484,323	452,050	(394,154)	(39,550)	502,669
Total funds	<u>12,565,492</u>	<u>10,485,943</u>	<u>(10,276,370)</u>	<u>527,000</u>	<u>13,302,065</u>

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

Restricted general funds - The restricted general fund includes grants, receivable from the Education and Skills Funding Agency, Department for Education and Local Authority towards the principal activity of the Multi Academy Trust, being the provision of education.

Restricted fixed asset funds - The restricted fixed asset fund includes the freehold property, leasehold property, furniture and equipment transferred to the Multi Academy Trust and grants from the Education and Skills Funding Agency and Local Authority which have been received. The fund is being reduced by depreciation in the year.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (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 2019 £	Total 2018 £
Trenance Learning Academy	1,294,946	316,782	139,686	4,531,770	2,204,584	1,761,927
St Newlyn East Learning Academy	530,822	51,535	46,513	167,212	796,083	676,886
Falmouth Primary Academy	1,053,903	109,703	42,678	355,380	1,561,666	1,491,845
Foxhole Learning Academy	322,890	30,662	27,441	126,458	507,450	493,215
The Bishops C of E Learning Academy	947,702	176,455	65,922	203,601	1,393,681	1,323,742
Leedstown Community Primary School	255,621	16,501	41,241	92,379	405,741	393,735
Mabe School	546,419	50,562	40,540	144,533	782,054	607,663
Trevisker Primary School	570,377	101,129	43,345	147,230	862,082	780,811
Constantine Primary School	498,619	39,062	48,285	174,231	760,198	776,812
St Merryn School	446,656	69,000	30,499	131,674	677,830	631,487
Central services	217,065	549,161	1,309	212,098	979,633	1,019,725
Academy Trust	<u>6,685,020</u>	<u>1,510,552</u>	<u>527,459</u>	<u>6,286,566</u>	<u>10,931,002</u>	<u>9,957,848</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	Total £
Trenance Learning Academy	680,158
Falmouth Primary Academy	143,830
Foxhole Learning Academy	(38,283)
St Newlyn East Learning Academy	(24,324)
The Bishops C of E Learning Academy	(2,187)
St Merryn School	129,132
Trevisker Primary School	186,691
Mabe School	36,388
Leedstown Community Primary School	27,059
Constantine Primary School	26,261
Central services	<u>(456,259)</u>
Total before fixed assets and pension reserve	708,466
Restricted fixed assets fund	14,836,145
Pension Fund	<u>(2,970,000)</u>
Total	<u><u>12,574,611</u></u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Foxhole Learning Academy is carrying a net deficit of £38,283 on these funds because:

Foxhole Learning Academy converted into an academy and joined the Multi Academy Trust with a £nil balance. The Board of Directors acknowledge that as part of a strategic approach to school improvement they have directed the use of reserve funds to support the infrastructure. This is part of an ongoing support approach to develop the capacity of the Academy to operate as self-sustaining learning environments in the future.

St Newlyn East Learning Academy is carrying a net deficit of £24,324 on these funds because:

St Newlyn East Learning Academy converted into an academy and joined the Multi Academy Trust with a £nil balance. The Board of Directors acknowledge that as part of a strategic approach to school improvement they have directed the use of reserve funds to support the infrastructure. This is part of an ongoing support approach to develop the capacity of the Academy to operate as self-sustaining learning environments in the future.

The Bishops C of E Learning Academy is carrying a net deficit of £2,187 on these funds because:

The Board of Directors acknowledge that as part of a strategic approach to school improvement they have directed the use of reserve funds to support the infrastructure. This is part of an ongoing support approach to develop the capacity of the Academy to operate as self-sustaining learning environments in the future.

Central Services is carrying a net deficit of £456,259 on these funds because:

The central support service continues to operate at a deficit as Trustees committed reserve funding to ensure capacity to deliver the support needs of schools within the trust, during the recent merger. Trustees are currently in the process of undertaking a review and restructure of staffing post merger.

In order to facilitate the Trust to meet its KPI of overall staffing costs at 78% of income by 2021/22, the Trust intends to make use of its freedoms under the provisions of the Academies Financial Handbook to amalgamate a proportion of the GAG funding for all academies to form one central fund. This fund will be used to meet the normal running costs of the Trust and any of its constituent schools. The Trust will continue to work with school leaders to set a budget for each school. School Leaders will have control over their admin and curriculum resource budgets, with the other budgets being retained and managed centrally. This will allow the Trust more flexibility in the support it offers schools with the ability to focus intensive work at the schools in most need. The Trust's Executive Leadership Team will work with school leaders to create School Improvement Plans and Intensive Action Plans that are fully costed so that money can be budgeted and used from centrally held funds to support these improvement activities. The Trust will continue to use KPIs to ensure that every school is appropriately funded and staffed to ensure high levels of performance within cost effective boundaries.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	10,719	10,719
Tangible fixed assets	-	-	14,643,374	14,643,374
Current assets	500,305	1,137,913	378,336	2,016,554
Current liabilities	-	(929,752)	(96,914)	(1,026,666)
Creditors over 1 year	-	-	(99,370)	(99,370)
Pension scheme liability	-	(2,970,000)	-	(2,970,000)
Total net assets	500,305	(2,761,839)	14,836,145	12,574,611

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	14,247	14,247
Tangible fixed assets	-	-	14,211,198	14,211,198
Current assets	502,669	1,028,145	548,370	2,079,184
Current liabilities	-	(757,958)	(426,619)	(1,184,577)
Creditors over 1 year	-	-	(35,987)	(35,987)
Pension scheme liability	-	(1,782,000)	-	(1,782,000)
Total net assets	502,669	(1,511,813)	14,311,209	13,302,065

19 Capital commitments

	2019 £	2018 £
Contracted for, but not provided in the financial statements	<u>284,568</u>	<u>331,490</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Financial commitments

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	31,850	14,586
Amounts due between one and five years	<u>27,838</u>	<u>7,207</u>
	<u>59,688</u>	<u>21,793</u>

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

	2019 £	2018 £
Net income	78,546	209,573
Amortisation	5,453	3,001
Depreciation	338,720	315,521
Capital grants from DfE and other capital income	(799,750)	(842,166)
Interest receivable	(829)	(747)
Defined benefit pension scheme cost less contributions payable	328,000	364,000
Defined benefit pension scheme finance cost	54,000	52,000
Decrease/(increase) in debtors	144,016	(58,541)
Decrease in creditors	<u>(157,911)</u>	<u>(44,341)</u>
Net cash used in Operating Activities	<u>(9,755)</u>	<u>(1,700)</u>

22 Cash flows from financing activities

	2019 £	2018 £
Repayments of Salix loans	(7,197)	(7,197)
Cash inflows from new borrowing	<u>70,581</u>	<u>-</u>
Net cash provided by/(used in) financing activities	<u>63,384</u>	<u>(7,197)</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Cash flows from investing activities

	2019 £	2018 £
Interest income	829	747
Purchase of intangible fixed assets	(1,924)	(9,600)
Purchase of tangible fixed assets	(770,896)	(813,582)
Capital grants from DfE Group	342,280	68,570
Capital funding received from sponsors and others	457,470	773,596
Net cash provided by investing activities	<u>27,759</u>	<u>19,731</u>

24 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>1,436,502</u>	<u>1,355,114</u>
Total cash and cash equivalents	<u>1,436,502</u>	<u>1,355,114</u>

25 Members' liability

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

26 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 County 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 £130,991 (2018 - £111,193) 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.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

26 Pension and similar obligations (continued)

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%.

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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £630,611 (2018: £593,162).

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

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

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

26 Pension and similar obligations (continued)

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 2019 was £543,000 (2018 - £499,000), of which employer's contributions totalled £427,000 (2018 - £392,000) and employees' contributions totalled £116,000 (2018 - £107,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

Due to the scheme being in deficit lump sum amounts of £78,542 (2018 - £72,617) were paid into the scheme during the year.

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

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

Principal actuarial assumptions

	2019	2018
	%	%
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>1.80</u>	<u>2.80</u>

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

	2019	2018
Retiring today		
Males retiring today	21.10	22.10
Females retiring today	23.60	24.50
Retiring in 20 years		
Males retiring in 20 years	22.30	24.00
Females retiring in 20 years	<u>25.00</u>	<u>26.40</u>

Sensitivity analysis

	At 31 August 2019	At 31 August 2018
	£	£
Discount rate -0.5%	1,043,000	729,000
Salary rate +0.5%	121,000	104,000
Pension rate +0.5%	<u>903,000</u>	<u>618,000</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

26 Pension and similar obligations (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	2,594,000	1,886,000
Other bonds	1,909,000	1,655,000
Property	343,000	269,000
Cash and other liquid assets	49,000	39,000
Total market value of assets	<u>4,895,000</u>	<u>3,849,000</u>

The actual return on scheme assets was £409,000 (2018 - £99,000).

Amounts recognised in the statement of financial activities

	2018/19	2017/18
	£	£
Current service cost	748,000	756,000
Past service cost	7,000	-
Net interest cost	54,000	52,000
Total amount recognised in the SOFA	<u>809,000</u>	<u>808,000</u>

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

	2018/19	2017/18
	£	£
At start of period	(5,631,000)	(5,076,000)
Current service cost	(748,000)	(756,000)
Interest cost	(169,000)	(137,000)
Employee contributions	(116,000)	(107,000)
Actuarial (gain)/loss	(1,215,000)	428,000
Benefits paid	21,000	17,000
Past service cost	(7,000)	-
At 31 August	<u>(7,865,000)</u>	<u>(5,631,000)</u>

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

26 Pension and similar obligations (continued)

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

	2018/19 £	2017/18 £
At start of period	3,849,000	3,183,000
Interest income	115,000	85,000
Actuarial gain/(loss)	409,000	99,000
Employer contributions	427,000	392,000
Employee contributions	116,000	107,000
Benefits paid	<u>(21,000)</u>	<u>(17,000)</u>
At 31 August	<u>4,895,000</u>	<u>3,849,000</u>

27 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a 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 Academy Trust's financial regulations and normal procurement procedures.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

27 Related party transactions (continued)

Expenditure related party transactions

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

Dracaena Centre

(Mr P Wyatt is a director of the Dracaena Centre)

£1,656 (2018 - £144) was paid to the Dracaena Centre in respect of services provided in the year.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Dracaena Centre was £168 (2018 - £144).

Close family member of a Director

(This related party is a close family member of a Director)

During the year the close family member was employed by the Multi Academy Trust and was paid a gross salary of £65,384 (2018 - £62,863).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Close family member of a Director was £Nil (2018 - £Nil).

Atlantic Centre of Excellence Multi Academy Trust

(The two MATs merged to become the Kernow Learning Multi Academy Trust on 1 September 2019)

During the year the Trust paid £30,855 (2018: £Nil) to Atlantic Centre of Excellence Multi Academy Trust for various services.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due from/(to) Atlantic Centre of Excellence Multi Academy Trust was £916 (2018 - £Nil).

As the related party is a not for profit Academy Trust no statement of assurance was obtained.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

27 Related party transactions (continued)

Browne Jacobson LLP

(Mrs J Green (Member from 15 March to 27 April 2018) is an equity Partner of Browne Jacobson LLP) During the year £Nil (2018 - £2,756 during period as an appointed member) was paid to Browne Jacobson LLP.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Browne Jacobson LLP was £Nil (2018 - £Nil).

Income related party transactions

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

Atlantic Centre of Excellence Multi Academy Trust

(The two MATs merged to become the Kernow Learning Multi Academy Trust on 1 September 2019) Atlantic Centre of Excellence Multi Academy Trust paid £54,976 (2018: £Nil) to the Trust for various services.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Newquay Educational Trust was £Nil (2018 - £Nil).

28 Events after the end of the reporting period

On 1 September 2019 the Atlantic Centre of Excellence Multi Academy Trust merged with Kernow Learning Multi Academy Trust, (formerly known as The Learning Academy Trust). As a result, the Atlantic Centre of Excellence Multi Academy Trust transferred its operations, assets and liabilities to Kernow Learning Multi Academy Trust.

Kernow Learning Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

29 Teaching school trading account

	2018/19 £	2017/18 £
Income		
Direct Income		
Other income	<u>255,617</u>	<u>305,313</u>
Total Income	<u>255,617</u>	<u>305,313</u>
Expenditure		
Direct costs		
Other direct costs	<u>181,142</u>	<u>122,161</u>
Total Expenditure	<u>(181,142)</u>	<u>(122,161)</u>
Surplus from all sources	74,475	183,152
Teaching school balances at 1 September 2018	<u>183,152</u>	<u>-</u>
Teaching school balances at 31 August 2019	<u><u>257,627</u></u>	<u><u>183,152</u></u>