

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr DAJ Walrond OBE, MA, MBA, PGCE 1 Mrs ME Winser MBE, MA(Cantab) 2 Mr P Callen FRCS, FRCOG (Corporate Member) 3 Mr M Tucker BEd (Hons) 4 Mrs C Mewton BEd (Hons) Cert Ed 5 (resigned 31 August 2021) Mrs L Bradley MA(Cantab), PGCE, QTS 6 (appointed 1 September 2021)
Trustees	Dr J Blunden OBE, PhD, FCCT, Accounting Officer ³ Mr J Dunn BEng (Hons), CEng, MCIWEM, MAPM ³ Mrs A Firth BA(Hons), QTS, Dip Ed Mgt ^{2,3} Mr J Green BA (Hons) Mrs J Keyes BSc (Hons) PCGE (resigned 14 April 2021) Mr T A Lister BEd (Hons) ¹ Prof. A G Livingston CBE, FCSD, DL, Vice Chair ^{2,3} Mr A Stittle BSc(Hons), PGCE, CMath, FIMA (resigned 23 July 2021) ¹ Mr D Williams JP, MA (resigned 27 November 2020) Mrs ME Winser MBE, MA(Cantab), Chair ^{2,3} Mr D Austin CTA ^{1,2,3} Mr S Cryer FCCA Mrs S Flack BA Hons, NPQH, MEd (appointed 10 May 2021) Mr A Venter (appointed 1 July 2021) Mrs A Bull LLB Hons MA (appointed 1 September 2021) ¹ Audit and Risk Committee ² Remuneration Committee ³ Covid Recovery Group
Company registered number	08880841
Company name	Truro and Penwith Academy Trust
Principal and registered office	Academy House Truro Business Park Threemilestone Truro Cornwall TR4 9LD
Company secretary	Mrs J Brinson BA (Hons), CPFA
Accounting Officer	Dr J Blunden OBE, PhD, FCCT
Senior management team	Dr J Blunden OBE, PhD, FCCT, Accounting and Chief Executive Officer Mrs J Brinson BA (Hons), CPFA, Chief Financial Officer & Director of Business & Finance Mrs C Fortey BEd (Hons), NPQH, PQSI, Director of Education Mrs H Andrew CIPD, Director of Human Resources

**TRURO & PENWITH ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Bankers Lloyds Bank Plc
7 Boscawen Street
Truro
Cornwall
TR1 2QT

Solicitors PHP Law
6 Delamore Park
Cornwood
Ivybridge
Devon
PL21 9QP

**TRURO & PENWITH ACADEMY TRUST
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LIST OF SCHOOLS

Academies Operated

Academies Operated	Location	Principal
Pendeen School	Pendeen	Mr C Wilson BSc, PGCE
St Ives School	St Ives	Executive Head Ms J Woodhouse BSc (Hons), PGCE, NPQH Head of School Mr J Butterworth ME
St Dennis Primary Academy	St Dennis	Mrs C Brokenshire Ed (Hons), PGCert, SEND
St Just Primary School	St Just	Mrs N Rogers BEd (Hons), NPQH
Kehelland Village School	Kehelland	Miss J Harvey BA, BEd (Hons)
Mithian School	Mithian	Mrs L Garbett BEd (Hons), NPQH
Blackwater Community Primary School	Blackwater	Mrs E Evison BA (Hons), PGCE, NPQH
Perranporth Community Primary School	Perranporth	Mr A Johnson BA (Hons), NPQH
Chacewater Community Primary School	Chacewater	Mr C Gould BA (Hons), NPQH
Threemilestone Primary School	Threemilestone	Ms S Teagle BMus (Hons)
Roche Community Primary School	Roche	Mr J Walden BA (Hons)
St Erth Community Primary School	St Erth	Mr W Coleman BA (Hons), NPQH
Nancladra Primary School	Nancladra	Mr R Gill BA (Hons), PGCE, NPQH
Kennall Vale School	Ponsanooth	Mr R Chirgwin BA (Hons)
Alverton Primary School	Penzance	Mr M Higgs BA (Hons), PGCE, NPQH
Pensans Primary School	Penzance	Mrs A Clay BA (Hons), QTS
Newlyn School	Newlyn	Mrs I Stephens BSc, PGCE, NPQH
Sennen Primary School	Sennen	Mrs N Smith BA (Hons), NPQSL
Mousehole CP School	Mousehole	Mr C Roynan BEng, PGCE, NPQH
Hayle Academy	Hayle	Executive Head Ms J Woodhouse BSc (Hons), PGCE, NPQH Head of School Mr S Horner MEng (Hons), PGCE, QTS, NPQH (from 1st September 2020)
Cardinham School	Cardinham	Mrs I Bennet BA (Hons), PGCE, NPQH
Lanivet CP School	Lanivet	Mrs I Bennet BA (Hons), PGCE, NPQH
Berrycoombe CP School	Bodmin	Mr C Robertson BSc, PGCE, NPQH
Bodriggy Academy	Hayle	Mrs C Hannaford BA (Hons), PGCE (to 31 March 2021), Mrs J Scarborough (from 1 April 2021 to 31 August 2021)
Cape Cornwall School	St Just	Executive Head Ms J Woodhouse BSc (Hons), PGCE, NPQH Head of School Mrs S Crawley BSc (Hons), PGCE, NPQH
Gulval School	Gulval	Mr P Baker BEd
Liskeard Hillfort Primary School	Liskeard	Dr T Cook EdD, PGCE, NPQH
Tywardreath School	Tywardreath	Mrs C McColville BEd
Trewirgie Infants School from 1st June 2021	Redruth	Mrs C Callow BA QTS

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 26 primary and 3 secondary academies in Cornwall. Trewirgie Infants School joined the Trust on 1st June 2021. Trust academies have a combined pupil capacity of 7,231 and had a roll of 6,168 in the school census for Autumn 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Truro & Penwith Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company operates as Truro and Penwith Academy Trust.

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

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Trust shall have the following Trustees as set out in its articles of association:

- At least 7 Trustees appointed by Truro and Penwith College
- Up to two Local Governing Body Trustees appointed by the Trustees
- The Chief Executive Officer
- A minimum of 2 Parent Trustees (unless there are Local Governing Bodies which include at least two Parent members)
- The Trust may also have any co-opted Trustee appointed by the Trustees. (A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Trust would exceed one third of the total number of Trustees including the Chief Executive Officer).

**TRURO & PENWITH ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

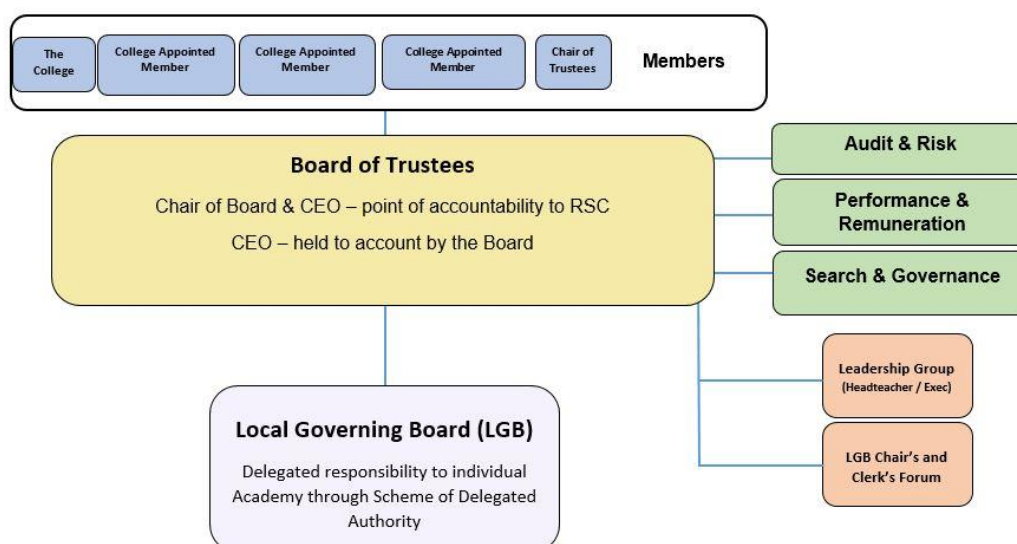
The term of office for any Trustee shall be four years except that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Trustees.

Organisational Structure



The Trust is comprised of and governed by:

The Members who guarantee the liabilities of the Trust and review its strategic direction.

The Board of Trustees who are responsible for, and oversee, the management and administration of the Trust and the schools run by the Trust. The Board normally meets every six weeks. It meets at least six times per year.

The Board establishes an overall framework for the governance of the Trust and determines responsibilities, terms of reference and procedures for the Audit and Risk Committee, Performance and Remuneration Committee and the Search and Governance Committee. It receives reports from these committees for ratification. It monitors the activities of the committees through the minutes of their meetings.

As further detailed below, the Board established an Audit and Risk Committee which meets three times a year. The Audit and Risk Committee undertakes detailed review on behalf of the Trust Board on the adequacy of financial and other controls and risk management arrangements, to direct a programme of

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

internal scrutiny and to consider the results and quality of external audit. The Audit and Risk Committee receives and scrutinises the annual financial statements and the external auditor's management letter.

The Audit and Risk Committee recommends the approval of the annual financial statements and auditors' letter to the Board of Trustees.

The Performance and Remuneration Committee meets once a year to establish a pay policy which sets out clearly the basis on which decisions about pay progression for the Headteachers, senior employees and leaders in the Trust will be determined.

The Search and Governance Committee meets as needed on a cycle consistent with the activities and requirements of the Trust to advise the Board on the appointment of trustees to the Board and its committees, to determine the process whereby candidates are nominated, to gather, screen, shortlist and recommend appointments, to advise on governance arrangements and to make recommendations on the composition and balance of the Board.

Local Governing Bodies are in place for each school within the Trust who are responsible for, subject to the provisions of the Scheme of Delegation, the day to day management and administration of each respective school.

The Scheme of Delegation provides clarity to Local Governing Bodies on the extent of their rights, responsibilities, authority and powers and provides the framework within which they interact and work with the other governance aspects of the Trust.

The Trustees have devolved responsibility for the day to day management of the Trust to the Chief Executive, Senior Leadership Team of the Trust and Local Governing Bodies.

The Chief Executive is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has established a Remuneration Committee which meets once a year and comprises the Vice Chair of the Board of Trustees, the Chair of the Audit Committee and a further Trustee. The key responsibility of this committee is:

To establish a pay policy which sets out clearly the basis on which decisions about pay progression for the Headteachers, senior employees and leaders in the Trust will be determined, including:

- Considering and determining the annual performance-related pay progression increases and other terms and conditions of the Headteachers, taking account of budgetary implications
- Considering and determining the annual pay and other terms and conditions of the senior employees and leaders in the Trust, taking account of budgetary implications
- Establishing procedures for determining appeals against pay determinations
- Keeping the pay policy under regular review
- Dealing with any other matters referred to the Committee by the Board of Trustees relating to the remuneration, terms and conditions of the Headteachers, senior employees and leaders
- Considering current guidance on the remuneration of senior staff

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

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

**TRURO & PENWITH ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

The Trustees benchmark against pay levels in other Academies of a similar size.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	2
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time (including training)	£876
Provide the total pay bill	£26,825,629
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.003%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	0
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Connected Organisations, including Related Party Relationships

Truro and Penwith Academy Trust is sponsored by Truro and Penwith College. The role of the sponsor is to share its educational experience, develop the educational vision for the Trust and support and assist the Trust and its schools.

Related party transactions are detailed in Note 29 to the accounts.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Engagement with employees (including disabled persons)

Truro and Penwith Academy Trust is an Equal Opportunities employer and actively promotes equality across all groups within our workforce. The Trust works in conjunction with the Equality Act 2010 and supports disabled people, including those with long term health conditions, learning disabilities and those that become disabled. If the employee confirms that they have a disability, we make reasonable adjustments to ensure that any selection processes, including the interview, are fair and equitable. We also ensure that training and development opportunities and promotions are fair to all groups within the workforce including disabled persons.

The Trust engages with its employees through many means and methods, including:

- Staff representatives on Local Governing Bodies
- Regular updates to all staff members, via newsletters, e-bulletins
- Discussion with Trade Unions

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust engages with their suppliers, customers and stakeholders through many means and methods, including:

- Consideration was given to all suppliers under the procurement policy notes during Covid 19.
- Trustees discussed and agreed to continue to engage with contractors under these directives and that doing so was good value for money.
- To ensure best value quotations are obtained in line with the Financial Procedures.
- Deals for Schools and Crescent Purchasing Consortium are utilised as part of the procurement process to ensure best value.
- Where appropriate local suppliers are given the opportunity to quote or tender to ensure our carbon footprint is reduced.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the Trust is specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum appropriate to the needs of its pupils and students

The principal aim of the Trust is:

- To secure high standards in every school by developing and sustaining outstanding leadership and outcomes for children and young people through inspirational teaching and creative learning opportunities.

Objectives, Strategies and Activities

The Trust pursues fulfilment of its vision and mission by focusing on core strategic objectives measured consistently and annually against a set of core data baselines. These core objectives are:

- Expect outstanding academic achievement and success
- Set aspirational targets for all
- Every aspect of school life engages and inspires our children
- Consistently outstanding leadership with high expectations & rigorous challenge

These strategic objectives will be achieved through effective leadership across the Trust through the following:

- Trust development plan monitored and reported to the Board of Trustees
- Headteachers Group for geographic hub leaders and Headteachers with school clusters where the leaders in each school come together to share performance data, report on development objectives, discuss issues, plan strategies
- Executive team of school improvement leaders
- Specialist Lead Schools where leaders and teachers across the schools build key relationships and contacts to enhance their support and peer network
- Local Governing Body (LGB) Chairs and Clerks Forum where the chairs and clerks of each LGB meet together once a term to discuss a range of issues

Priorities for 2021-2022

- High quality teaching for all, focusing on pedagogy and practice, supporting all pupils with SEND and to support inclusion
- Continuing the implementation phase of Curriculum Development, targeting new capacity for curriculum support
- Enhance Early Years and KS1 provision to ensure a coherent strategy to support post-Covid recovery and enhance outcomes
- Workforce development and a review of HR related policies to reflect our commitment to wellbeing and manageable workloads
- Develop and implement a Digital Transformation strategy, improving access to high quality technology to support learning

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Public Benefit

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

STRATEGIC REPORT

Achievements and Performance

The improvement priorities for schools within the Trust for the period were:

Quality of Education

- 1a. A broad, ambitious curriculum is reintroduced by April 2021
- 1b. Technology used well for transition between remote and school-based learning
- 1c. Gaps quickly identified and all (incl disadvantaged and SEND) pupils make progress
- 1d. Improve progress in Reading and Phonics across Early Years and KS1

Behaviour and Attitudes

- 2a. Attendance and persistent absence to improve to be at least in line with national
- 2b. Exclusions and children educated off site to be below national
- 2c. All schools to participate in behaviour management practice sharing

Personal Development

- 3a. PSHE and pupil wellbeing is a priority for all schools
- 3b. Shared practice for pupil wellbeing, personal conduct and safety

Leadership and Management

- 4a. Leaders expect high quality teaching and targeted catch up
- 4b. Effective CPD on the curriculum and remote learning technology
- 4c. HR team monitors and supports staff wellbeing

Growth and Capacity Building

- 5a. Successful bid for secondary Free School
- 5b. Grow the Trust by at least one school
- 5c. Grow central team to meet demands on time

Operational Effectiveness

- 6a. To embed ICFP and KPIs in budget setting and monitoring process
- 6b. To use HR data to inform strategic development of policy and practice
- 6c. To ensure effective Covid risk management for all staff and pupils

School Performance 2020-2021

Performance measures for the 2020-21 academic year will not be published due to the cancellation of examinations and standard assessment tests due to the Covid-19 pandemic.

During 2020-21 the Trust consolidated its school improvement work and developed further capacity around SEND and other support for our most vulnerable schools. The Covid-19 pandemic resulted in considerable change to the operating model for our schools. Remote learning was implemented effectively with the use of on-line technology in parallel with traditional resource provision for families. The Spring term national lock-down was a period when our schools remained open for our most vulnerable pupils and the children of key workers. Our schools offered a much enhanced curriculum and structured timetable to mirror a normal school day, as much as possible, whilst working remotely.

The Trust's school improvement model was adapted to provide coaching support for our school leaders with detailed guidance and support published to reflect government guidance and best practice observed across the education sector. Targeted support for our most vulnerable schools was maintained throughout the year.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Primary Phase Summary

The focus for school improvement support across the Trust was on curriculum development, ensuring all schools develop the intent, implementation and anticipated impact of their curriculum. All schools were supported to make provisions for a recovery curriculum, with planned strategies for the identification and reduction of gaps in learning or development which were observed as a result of the pandemic. Each school had a focused school development plan which focused on recovery and ongoing development of the wider curriculum.

The Hub Review Group met regularly to monitor and evaluate all schools on a risk basis, with whole school analysis of improvement based on peer review, the school's own evaluation and Headteacher reporting, Trust senior leadership and external review, financial management support and the curriculum specialist school improvement support leaders in each Hub. The Trust Recovery Working Group also met regularly to receive reports from the Chief Executive and Director of Education on support for schools and the mental health and wellbeing of staff and pupils.

Trewirgie Infant School joined the Trust in June 2021 as a school requiring improvement. This school immediately became a targeted support school under the direct oversight of our Director of Education.

A summary of the schools who had been judged as requires improvement by Ofsted include Roche School, Liskeard Hillfort School and Bodriggy Academy:

- Roche School was inspected in October 2018 and has made considerable progress in phonics, reading and mathematics during the 2020-21 academic year. Work on the wider curriculum developed well during the year, specifically the use of knowledge organisers.
- Liskeard Hillfort School was inspected in October 2019 and continued to make progress as demonstrated by two interim monitoring visits during the academic year 2020-21 by Ofsted.
- Bodriggy Academy was inspected in January 2020 and was judged to be requires improvement by Ofsted. Interim school leadership focused support on the Phonics across the school and good progress is evident. A new Headteacher was appointed from September 2021.

Secondary Phase Summary

The focus for school improvement support in the Trust secondary schools was on curriculum development and our most vulnerable disadvantaged pupils. The secondary schools across the Trust have become more aligned in practice under the leadership of one executive Headteacher. Local governance of all three secondary schools has been subject to a strategic review and plan during 2020-21 with a new single Local Governing Board established across the three schools.

Specific support was provided to schools considered vulnerable including Cape Cornwall School and Hayle Academy:

- Cape Cornwall School has successfully improved the quality of education across the school with improved performance data evident through internal monitoring and moderated centre assessment. The school leadership has had some change through the academic year and an experienced team of school leaders is in post. The key risk to the school remains the low population in the area for school age young people. No published data for end of Key Stage 4 is available.
- Hayle Academy welcomed a new Head of School in September 2020. Considerable progress has been made during the year to improve the quality of education, curriculum leadership and behaviour. Hayle Academy remains a school targeted for school improvement support.

Summary of Covid-19 Pandemic Impacts

The unprecedented changes to the operating model for all schools during the Covid-19 pandemic impacted on all aspects of school life. All schools across the Trust offered education for our key worker families and our most vulnerable pupils throughout the Spring term lock down phase in 2021 and a clear and comprehensive remote education for all other pupils.

Headteachers continued to liaise with the Trust health and safety team and executive team to manage risk as per government guidelines. The Trust was praised by local and regional education organisations for the open

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

sharing of materials produced to support school leaders during the recovery phase for the academic year 2020-21.

The priority for the Trust during the period January to March 2021 was the safe operation of our schools for pupils and staff, the provision of high quality education off site using technology and other resources, and the provision of education and support for our key worker families and our most vulnerable pupils.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 going concern accounting policy in note 1.2 of the accounts.

FINANCIAL REVIEW

The academy's accounting period is the year to 31 August 2021.

The majority of the Trust's income is derived from the Department for Education (DfE) via the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2021, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The financial position is challenging as a result of changes in both local and national funding together with increasing costs relating to pay and general cost pressures. This year in particular due to the Covid 19 pandemic with schools incurring additional cost to maintain safe provision. The Trusts schools are expected to set budgets within their annual funding and use of reserves is for agreed specific purposes rather than to use reserves to meet operational costs which is not sustainable in the long term. The schools make budget reductions to match funding levels; however, this is challenging as a large proportion of costs are staff related. The Trust have agreed a Reserves policy and receive monitoring reports at each Board meeting. Our current level of reserves is £4,486k.

Financial benchmarking is used to compare our schools' financial position with others and to provide challenge for financial management. The key measures considered are taken from Kreston Reeves Benchmarking were as follows:

Measure	TPAT	All MAT's Average
Total GAG income per pupil	£4,204	£4,367
Staff cost per pupil	£4,525	£4,816
Total costs per pupil	£5,938	£6,448
Pupil to teacher ratio	23.0	20.6
Surplus/Deficit ratio (as% of total income)	0.1%	1.4%
Cash Balances ratio (as a % total income)	15.7%	15.7%

The Trust receives capital grants through the Schools Condition Allocation and Specific Capital Grants from the ESFA for improvement of Capital Assets. The Trust is also in receipt of Local Authority Grants for School Access, Backlog maintenance and agreed Basic Need projects. All such grants are shown in the statement of financial activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund is reduced by annual depreciation charges over the useful life of the assets concerned.

**TRURO & PENWITH ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trust's results show revenue surpluses for the year, excluding restricted fixed assets and before unrealised defined benefit pension scheme gains and losses and transfers, but including any surpluses transferred on conversion of: Restricted surplus £404,164 and Unrestricted surplus £4,081,873.

The fund balances carried forward for each school was:

	Total 2021	Total 2020
	£	£
Pendeen School	121,242	46,206
St Ives School	(3,063)	3,335
St Dennis Primary Academy	278,044	432,148
Blackwater Community Primary School	71,099	57,175
Mithian School	122,609	124,501
St Just Primary School	(1,009)	(38,697)
Kehelland Village School	114,531	94,911
Perranporth Community Primary School	58,259	67,909
Chacewater Community Primary School	64,663	66,641
Threemilestone School	211,204	138,238
Roche Community Primary School	380,438	333,032
St Erth Community Primary	58,082	73,902
Nancladra School	87,324	56,694
Kennall Vale School	105,069	90,990
Alverton Primary School	181,829	174,472
Newlyn School	90,957	27,678
Pensans Primary School	(17,369)	(47,212)
Sennen Community Primary Academy	33,736	37,660
Hayle Academy	489,741	272,674
Mousehole Community Primary School	92,744	67,623
Berrycoombe School	70,959	36,771
Cardinham School	134,473	151,649
Lanivet Community Primary School	80,177	68,133
Cape Cornwall Secondary School	29,735	50,849
Bodriggy Academy	245,211	243,865
Gulval Primary School	91,184	68,047
Liskeard Hillfort Primary School	150,547	76,454
Tywardreath Primary School	162,012	101,016
Trewirgie Infants School joined 1 st June 2021	503,933	
Cape Cornwall School Improvement Grant	105,560	143,828
Central Services	372,116	357,711
Total	4,486,037	3,378,203

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and to ensure sufficiency of resource to meet monthly outgoings. Reserves are held for reinvestment in individual schools, for specific capital projects, curriculum investment and to mitigate the impact of reductions to funding.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Schools maintain their existing level of Reserve from their point of conversion and the Trust allows any in-year surplus to be accrued to their individual reserves.

The Trustees have agreed that reserves should be maintained at or accrued to an individual schools' reserve with a view to achieve a level of at least the value of six weeks of the individual schools outgoing costs.

Pooling is currently in operation at Trust level where all Reserves are reported in total in order to balance the overall position, including two schools in overall deficit which have recovery plans agreed by Trustees in place.

The Trustees consider the financial period end position of £43,845k (2020 £47,272k) comprising £61,988k (2020 £58,124k) of restricted fixed asset funds, £(22,225k) (2020 £14,028k) of restricted funds and £4,082k (2020 £3,176k) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(22,629k) (2020 £(14,230k)) and general restricted funds of £404k (2020 £202k).

The level of free revenue reserves held by the Trust are (2021 £4,486k) (2020 £3,378k).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The Trust has entered into an agreement with the LGPS Trustees to make additional annual contributions of £243,700 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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

Investment Policy

The cash balances held by the Trust are invested in interest earning bank accounts.

Principal Risks and Uncertainties

The principal risks affecting the Trust are:

- Performance of schools not improving sufficiently or quickly enough impacts on reputation of Trust and/or College
- The impact on the Trust reputation if Truro and Penwith College has a grade reducing Ofsted
- External agency decision (with no right of appeal) impacts on reputation of Trust and/or College
- Numbers on roll at Trust academies do not rise in line with expectations impacting on the ability to invest in improvements and sustainability
- Failure to meet forecast budget position reduces credibility with DfE and ability to provide additional Trust wide services to schools
- Failure to comply with ESFA Academies Financial Handbook
- Increasing pension costs at actuarial evaluation due to market conditions
- High unit costs per pupil due to small schools and associated overheads
- PFI Contractor vulnerability and impact on Trust if the contractor ceases to trade
- Transfer of schools from failing MAT's
- Capacity to support increasing number of schools is limited to small core team
- Insufficient schools choose to convert to the Trust or become sponsored threatening the sustainability of the Trust
- Succession planning and cover for key staff
- Capacity for service provision during Covid-19 pandemic
- Schools of concern
- Safeguarding incident that is not handled according to statutory requirements
- Health and Safety incident that is not handled according to statutory requirements
- Recruitment of staff to Trust schools, central team or volunteers including LGB/Trustees with a high safeguarding risk

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- Reputational risk due to third party actions using legal instruments against the Trust E.g. Disability Discrimination Act
- The balance of individual Trustee skills and experiences could have a detrimental impact on the effectiveness of the Board.
- Impact of Covid -19 on operational and financial management of schools due to risks to the workforce

Mitigating actions and risk owners have been identified to address these risks. The risk register is regularly reviewed by the Audit and Risk Committee and the Board of Trustees.

Financial and risk management objectives and policies:

The financial risk register is set out in the Trust's financial procedures. These procedures examine the key risks and proposed actions to mitigate the impact of these risks. The financial risk register is part of the overall Risk Register reviewed by the Audit and Risk Committee and Board of Trustees.

FUNDRAISING

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

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	
Energy consumption used to calculate emissions (kWh)	4,263,547
Energy consumption break down (kWh) (optional)	
• gas,	2,141,188
• electricity,	2,025,944
• transport fuel	96,415
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	393.70
Owned transport – mini-buses	9.17
Total scope 1	402.87
Scope 2 emissions in metric tonnes CO ₂ e	472.33
Purchased electricity	
Scope 3 emissions in metric tonnes CO ₂ e	9.27
Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO ₂ e	884.47
Intensity ratio	0.15
Tonnes CO ₂ e per pupil	

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government’s Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across the majority of our sites, with plan to install in the near future on sites not yet covered and increased remote working technology for staff meetings, to reduce the need for travel between sites. All electricity supplied to our non-PFI schools is from 100% renewable sources. We have solar panels installed in a number of our sites together with LED lighting.

PLANS FOR FUTURE PERIODS

The Trust has Capital Investment expected for the forthcoming year to improve the condition of its estate and to provide some additional facilities. The schemes are as follows:

- Refurbishment of Science laboratories at St Ives School, part funded by the Wolfson Foundation
- Replacement of window walling at Hayle Academy
- Refurbishment of Hall and electrical works at Kehelland School
- Area Resource Base funded by Cornwall Council at Hayle Academy

The Trust has successfully applied to open a new secondary school on the North Coast through the Governments Free School Programme. The project is in its early phases of development.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustees of any other charity.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 8 December 2021 and signed on the board's behalf by:



Mrs ME Winser MBE, MA(Cantab)
Chair of Trustees

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day to day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Truro & Penwith Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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 6 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
Dr J Blunden OBE, PhD, FCCT Accounting Officer	6	6
Mr J Dunn BEng(Hons), CEng, MCIWEM, MAPM	4	6
Mrs A Firth BA(Hons), QTS, Dip Ed Mgt	6	6
Mrs J Keyes BSc (Hons), PGCE	1	4
Prof. AG Livingston CBE, FCSD, DL, Vice Chair	6	6
Mr TA Lister BEd (Hons)	5	6
Mr J Green BA (Hons)	5	6
Mr A Stittle BSc (Hons), PGCE, CMath, FIMA	4	6
Mr D Williams JP, MA	0	1
Mrs ME Winser MBE, MA(Cantab), Chair	6	6
Mr D Austin CTA	4	6
Mr S Cryer FCCA	6	6
Mrs S Flack BA Hons, NPQH, MEd	2	2
Mr A Venter	1	1

The trust operates a single committee structure with the Board meeting each half term. To recognise the need for separate scrutiny an Audit and Risk Committee was established in line with the governance review and Academies Financial Handbook.

The Audit and Risk Committee meets three times a year its responsibilities are:

- To undertake detailed review on behalf of the Trust Board on the adequacy of financial and other controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit.
- To provide independent oversight of and advice to the Trust Board on the adequacy and effectiveness of the organisation's financial control and reporting systems.
- To recommend to the Members the appointment of suitable External Auditors and to advise the Board on both financial and non-financial internal scrutiny arrangements, taking a risk-based approach to commissioning topics of each internal audit report.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- To regularly review the risk register for the Trust.
- To ensure that adequate levels of external and internal audit are maintained and act as a point of escalation for any concerns identified during audit visits.
- To take such decisions as are devolved to it by the Board - except where the Board has formally delegated decision-making authority to the Committee, its role is advisory.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Austin CTA – Chair	2	3
Mr TA Lister BEd (Hons)	3	3
Mr A Stittle BSc (Hons), PGCE, CMath, FIMA	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive has responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Use of CPC framework and Deals for Schools IT, photocopiers and minibuses
- Use of specialist energy procurement, invoice validation and contract management organisation for energy supplies
- Capital projects funded by School Condition Allocation awarded through competitive tendering processes in line with Financial Procedures
- Capital schemes managed centrally with competitive quotes in line with Financial Procedures obtained to ensure value for money
- Use of Risk Protection Arrangement for Trust main insurance
- Alignment of certain educational software products to provide trust wide savings
- Introduction of new VOIP telephone system which is generating significant savings to schools
- Review of non-RPA insurance items following successful tender through CPC.
- Move to central server provision for number of Trust schools
- Renewal of Internal Audit through use of CPC framework

Improving Educational Results

The Trust continues to ensure that resources are directed where they are most needed, supporting high quality teaching and leadership in all our schools. This is demonstrated by the strong performance against national measures in areas of priority school improvement support. Increased capacity in the Central Team for school improvement support, human resource management, business management support including finance, premises, facilities and ICT, is having a positive impact in schools.

Financial Governance and Oversight

Financial governance and oversight of TPAT is strong. The Director of Business and Finance is a qualified accountant and there are two accountants on the Board of Trustees. Financial assurance is further informed by reports from the internal auditors. The Board of Trustees approve the three year budget plan. The Board meets every half term where the management accounts and budget monitoring reports are reviewed and discussed. The Chair of Trustees receives monthly financial information including management accounts, cash flow, balance sheet and performance indicators. Trustees receive financial and non- financial benchmarking and performance indicators for their consideration. In addition, the Board considers and

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

approves larger expenditure items in accordance with the Trust's Scheme of Delegated Authority and ensures compliance with the Trust's financial procedures. The Trustees set a reserves policy and measures schools against this.

The Audit and Risk Committee receives and scrutinises the annual financial statements and the external auditor's management letter. The Audit and Risk Committee recommends the approval of the annual financial statements and auditors' letter.

The Audit and Risk Committee reviews the key risks to which the 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 Trust's significant risks. The Board of Trustees also receives the Risk Register for formal review.

Better Purchasing

The Trust promotes fair competition through quotations and tenders, in accordance with its Financial Procedures Manual, to ensure that goods and services are procured in the most economic and effective way.

The Trust reviews the main service contracts for each of its schools on an annual basis to ensure that they are still fit for purpose, effective and provide best value. This review has prompted the Trust to explore alternative service providers for some of the services previously purchased from the local authority. The Trust is able to ensure better purchasing through accessing tender arrangements both our catering and cleaning contracts were let for the majority of our schools as part of a larger tender exercise with schools across Cornwall to ensure greater purchasing power and better prices.

The Trust is able to use its greater purchasing power to gain reductions across a number of supplies such as specialist software, books, computer supplies, support contracts and compliance contracts. Due to its size the Trust is now in a better position to negotiate prices with existing and prospective suppliers.

Maximising Income Generation

The Trust explores every opportunity to generate income and seeks sponsorship and funding opportunities for specific projects. Schools apply for and receive funding from Sport England, National Lottery, local funding organisations and SITA Trust.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Truro & Penwith Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

THE RISK AND CONTROL FRAMEWORK

The 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 regular financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint TIAA Limited as internal auditor.

The internal auditor's role has been reviewed and now provides both financial and non-financial scrutiny. The review areas are as follows:

Financial scrutiny – core financial controls

- Payments
- Budgetary control
- Income and debtors
- General ledger
- Cash banking and treasury management

Non-financial scrutiny

- Governance – strategic control
- Health and safety management
- Data security /GDPR
- ICT system security
- Safeguarding
- Risk management

The internal auditor has delivered their schedule of work as planned for the year ending 31st August 2021 and have reported no material issues arising as a result of the work undertaken. Work has carried out through the Covid 19 restrictions by use of remote technology.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**


REVIEW OF EFFECTIVENESS

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

- The work of the internal auditor
- The work of the external auditors
- The financial management and governance self-assessment process
- The work of the executive managers within the 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 Audit 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 8 December 2021 and signed on their behalf, by:



Mrs ME Winser MBE, MA(Cantab)
Chair of Trustees



Dr J Blunden BSc (Hons), PhD, PGCE
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Truro & Penwith Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2020.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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.



Dr J Blunden OBE, PhD, FCCT
Accounting Officer

Date: 8 December 2021

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

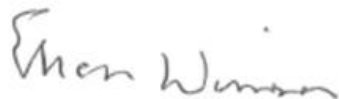
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mrs ME Winser MBE
Chair of Trustees

Date: 8 December 2021

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRURO
& PENWITH ACADEMY TRUST**

OPINION

We have audited the financial statements of Truro & Penwith Academy Trust (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRURO & PENWITH ACADEMY TRUST (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 Trust 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRURO & PENWITH ACADEMY TRUST (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRURO
& PENWITH ACADEMY TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



Alison Oliver FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

16 December 2021

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TRURO & PENWITH ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Truro & Penwith Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF TRURO & PENWITH ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Truro & Penwith Academy Trust's funding agreement with the Secretary of State for Education dated 26 March 2014 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 Trust's income and expenditure.

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TRURO &
PENWITH ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**



Alison Oliver FCA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Date: 16 December 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants:	3					
Donations - transfer of existing academy into the trust		400	(1,091)	2,286	1,595	-
Other donations and capital grants		172	-	2,897	3,069	2,332
Other trading activities		432	-	-	432	506
Investments	6	2	-	-	2	9
Charitable activities		1,050	34,169	-	35,220	32,835
Total income		2,056	33,078	5,183	40,317	35,682
Expenditure on:						
Raising funds		161	-	-	161	150
Charitable activities		199	36,586	1,633	38,418	36,524
Total expenditure		360	36,586	1,633	38,579	36,674
NET INCOME/ (EXPENDITURE)		1,696	(3,508)	3,550	1,738	(992)
Transfers between funds	18	(790)	476	314	-	-
Net movement in funds before other recognised gains/(losses)		906	(3,032)	3,864	1,738	(992)
Actuarial losses on defined benefit pension schemes	25	-	(5,165)	-	(5,165)	(1,858)
Net movement in funds		906	(8,197)	3,864	(3,427)	(2,850)
Reconciliation of funds:						
Total funds brought forward		3,176	(14,028)	58,124	47,272	50,122
Net movement in funds		906	(8,197)	3,864	(3,427)	(2,850)
Total funds carried forward		4,082	(22,225)	61,988	43,845	47,272

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

The notes on pages 36 to 73 form part of these financial statements.

**TRURO & PENWITH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08880841**

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets		60,511	56,889
	14	<hr/>	<hr/>
Current assets			
Debtors	15	2,029	1,357
Cash at bank and in hand	22	6,983	5,591
		<hr/>	<hr/>
		9,012	6,948
Creditors: amounts falling due within one year	16	(3,038)	(2,329)
		<hr/>	<hr/>
Net current assets		5,974	4,619
		<hr/>	<hr/>
Total assets less current liabilities		66,485	61,508
Creditors: amounts falling due after more than one year	17	(11)	(6)
		<hr/>	<hr/>
Net assets excluding pension liability		66,474	61,502
Defined benefit pension scheme liability	25	(22,629)	(14,230)
		<hr/>	<hr/>
Total net assets		43,845	47,272
		<hr/> <hr/>	<hr/> <hr/>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	61,988	58,124
Restricted income funds	18	404	202
		<hr/>	<hr/>
Restricted funds excluding pension liability	18	62,392	58,326
Pension reserve	18	(22,629)	(14,230)
		<hr/>	<hr/>
Total restricted funds	18	39,763	44,096
Unrestricted income funds	18	4,082	3,176
		<hr/>	<hr/>
Total funds		43,845	47,272
		<hr/> <hr/>	<hr/> <hr/>

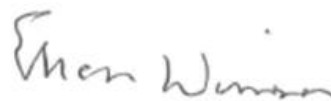
**TRURO & PENWITH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08880841**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021**

The financial statements on pages 32 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Dr J Blunden OBE, PhD, FCCT
(Accounting Officer)



Mrs ME Winser MBE
(Chair of Trustees)

Date: 8 December 2021

The notes on pages 36 to 73 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	937	628
Cash flows from investing activities	21	455	(53)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,392	575
Cash and cash equivalents at the beginning of the year		5,591	5,016
Cash and cash equivalents at the end of the year	22, 23	6,983	5,591
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 36 to 73 form part of these financial statements

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

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

1.3 INCOME

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions), where 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.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Other income**

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

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

Where assets and liabilities 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. An equal amount of income is recognised for the transfer of an existing Academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 EXPENDITURE

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% per annum on cost, Freehold land not depreciated
Long-term leasehold property	- 2% per annum on cost, Leasehold land depreciated over 125 years
Fixtures and fittings	- 6.67% per annum on cost
Furniture and equipment	- 20% per annum on cost
Motor vehicles	- 20% per annum on cost
Computer equipment	- 33% per annum on cost

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1. ACCOUNTING POLICIES (continued)

1.10 OPERATING LEASES

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

1.11 PENSIONS

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

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

1.12 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donations - transfer of existing Academy into the Trust	400	(1,091)	2,286	1,595
Other grants & donations	172	-	327	499
Capital Grants	-	-	2,570	2,570
	<u>572</u>	<u>(1,091)</u>	<u>5,183</u>	<u>4,664</u>
		Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Other grants & donations		165	479	644
Capital Grants		-	1,688	1,688
		<u>165</u>	<u>2,167</u>	<u>2,332</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
DFE/ESFA GRANTS			
General Annual Grant	-	27,616	27,616
OTHER DFE/ESFA GRANTS			
Start up grants	-	23	23
Pupil Premium	-	1,971	1,971
Teachers pay and pension grants	-	1,262	1,262
Universal Infant Free School Meals	-	781	781
Other DfE/ESFA grants	-	773	773
	-	-	32,426
OTHER GOVERNMENT GRANTS			
High Needs	-	754	754
Other government grants non capital	486	497	983
	486	1,251	1,737
Other income from the Academy Trust's educational operations	564	-	564
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Catch-up Premium	-	492	492
	-	492	492
	1,050	34,169	35,219

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS (CONTINUED)

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
DFE/ESFA GRANTS			
General Annual Grant	-	26,103	26,103
OTHER DFE/ESFA GRANTS			
Start up grants	-	23	23
Pupil Premium	-	1,925	1,925
Teachers pay and pension grants	-	1,260	1,260
Universal Infant Free School Meals	-	734	734
Other DfE/ESFA grants	-	596	596
	-	-	30,641
OTHER GOVERNMENT GRANTS			
High Needs	-	791	791
Other government grants non capital	398	374	772
	398	1,165	1,563
Other income from the Academy Trust's educational operations	631	-	631
	<u>1,029</u>	<u>31,806</u>	<u>32,835</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the trust's funding for Universal Infant Free School Meals, Pupil Premium and Teachers pay and pension grants is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

During 2020/21 the Trust received additional catch up premium in relation to Covid-19 of £492,078, as disclosed separately above, £478,960 of which was spent during the year.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Lettings	41	41	59
Insurance claims	205	205	271
Breakfast and after school club fees	186	186	176
	<u>432</u>	<u>432</u>	<u>506</u>

All 2020 amounts relate to unrestricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	2	2	9

All 2020 amounts relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on fundraising trading activities:				
Direct costs	161	-	-	161
Education:				
Direct costs	24,110	1,272	2,271	27,653
Allocated support costs	5,191	2,285	3,289	10,765
	<u>29,462</u>	<u>3,557</u>	<u>5,560</u>	<u>38,579</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. EXPENDITURE (CONTINUED)

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on fundraising trading activities:				
Direct costs	150	-	-	150
Education:				
Direct costs	23,316	1,275	2,136	26,727
Allocated support costs	4,766	2,039	2,992	9,797
	<u>28,232</u>	<u>3,314</u>	<u>5,128</u>	<u>36,674</u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Education	<u>27,653</u>	<u>10,765</u>	<u>38,418</u>

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Education	<u>26,727</u>	<u>9,797</u>	<u>36,524</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	130	108
Staff costs	5,191	4,766
Depreciation	255	218
Other costs	55	74
Recruitment and support	65	66
Maintenance of premises and equipment	734	669
Cleaning	612	567
Rent and rates	294	270
Energy costs	390	358
Insurance	348	344
Security and transport	177	199
Catering	1,214	966
Technology costs	616	489
Office overheads	200	232
Legal and professional	277	321
Bank charges	-	1
PFI charges	79	72
Governance	128	77
TOTAL 2021	10,765	9,797

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	179	159
Depreciation of tangible fixed assets	1,634	1,454
Fees paid to auditors for:		
- audit	22	22
- other services	6	6

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	20,722	19,964
Social security costs	1,847	1,737
Pension costs	6,251	5,934
	28,820	27,635
Agency staff costs	552	447
Staff restructuring costs	90	157
	29,462	28,239

Staff restructuring costs comprise:

	2021	2020
	£000	£000
Redundancy payments	90	136
Severance payments	-	20
Other costs	-	1
	90	157

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

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £nil (2020: £20,000). This amount relates to one individual payment.

c. STAFF NUMBERS

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

	2021	2020
	No.	No.
Teachers	327	318
Administration and support	602	602
Management	33	34
	962	954

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	20	15
In the band £70,001 - £80,000	3	2
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	1	1
	=====	=====

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as 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 Trust was £411,243 (2020: £401,515).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. CENTRAL SERVICES

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

- finance including central payments system and budget and management accounts preparation;
- insurance;
- payroll and HR services;
- legal services;
- audit and accountancy;
- support from the Trust Chief Executive Officer;
- school improvement: assessment & support;
- estates: health and safety; and
- procurement advice

The Trust charges for these services on the following basis: 4.5% of GAG (2020: 4.5% of GAG).

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
Pendeen School	23	21
St Ives School	134	120
St Dennis Primary Academy	34	34
Blackwater Community Primary School	21	20
Mithian School	21	19
St Just Primary School	35	32
Kehelland Village School	19	17
Perranporth Community Primary School	35	34
Chacewater Community Primary School	33	30
Threemilestone School	72	65
Roche Community Primary School	41	36
St Erth Community Primary School	21	21
Nancladra School	22	20
Kennall Vale School	25	23
Alverton Primary School	55	52
Newlyn School	29	31
Pensans Primary School	49	49
Sennen Community Primary School	16	16
Hayle Academy	130	133
Mousehole Community Primary School	23	20
Berrycombe School	46	44
Cardinham School	15	15
Lanivet Community Primary School	32	29
Bodriggy Academy	57	56
Cape Cornwall School	80	80
Gulval Primary School	32	30
Liskeard Hillfort Primary School	69	66
Tywardreath Primary School	50	47

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. CENTRAL SERVICES (CONTINUED)

Trewirgie Infants School	12	-
TOTAL	1,231	1,160

12. TRUSTEES' REMUNERATION AND EXPENSES

The CEO only receives remuneration in respect of services they provide undertaking the role of CEO under their contract of employment, and not in respect of their services as a Trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: Dr J Blunden (CEO): Remuneration £110,000 - £115,000 (2020: £110,000 - £115,000), Employer's pension contributions £25,000 - £30,000 (2020: £25,000 - £30,000).

During the year ended 31 August 2021, expenses totalling £381 were reimbursed or paid directly to 1 Trustee (2020 - £292 to 3 Trustees). These expenses covered mileage, expenses and subsistence.

13. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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14. TANGIBLE FIXED ASSETS

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
COST						
At 1 September 2020	19,212	37,371	4,274	707	84	61,648
Additions	512	164	1,868	188	-	2,732
Acquired on transfer	-	2,267	9	247	-	2,523
Transfers between classes	(53)	53	-	-	-	-
At 31 August 2021	<u>19,671</u>	<u>39,855</u>	<u>6,151</u>	<u>1,142</u>	<u>84</u>	<u>66,903</u>
DEPRECIATION						
At 1 September 2020	889	2,720	630	478	41	4,758
Charge for the year	265	756	394	203	16	1,634
At 31 August 2021	<u>1,154</u>	<u>3,476</u>	<u>1,024</u>	<u>681</u>	<u>57</u>	<u>6,392</u>
NET BOOK VALUE						
At 31 August 2021	<u>18,517</u>	<u>36,379</u>	<u>5,127</u>	<u>461</u>	<u>27</u>	<u>60,511</u>
At 31 August 2020	<u>18,323</u>	<u>34,651</u>	<u>3,644</u>	<u>229</u>	<u>42</u>	<u>56,889</u>

Included in freehold property is land of £5,943,000 (2020: £5,943,000) that is not depreciated.

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15. DEBTORS

	2021	2020
	£000	£000
DUE WITHIN ONE YEAR		
Trade debtors	21	74
Other debtors	506	-
Prepayments and accrued income	1,092	998
VAT recoverable	410	285
	<u>2,029</u>	<u>1,357</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£000	£000
Salix loans	6	6
Trade creditors	805	611
Other taxation and social security	461	406
Other creditors	524	488
Accruals and deferred income	1,242	818
	<u>3,038</u>	<u>2,329</u>
	2021	2020
	£000	£000
Deferred income at 1 September 2020	493	438
Resources deferred during the year	473	493
Amounts released from previous periods	(493)	(438)
Deferred income at 31 August 2021	<u>473</u>	<u>493</u>

At the Balance Sheet date the Academy was holding funds received in advance for Universal Infant Free School Meals, Rates Relief, funds received in advance for trips occurring in 2021/22 and nursery funding received in advance relating to the Autumn term.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£000	£000
Salix loans	11	6

Included within Salix loans are 4 individual Salix loans totalling £17,000 repayable in six-monthly installments over a period of 4 - 5 years, all loans are interest free.

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18. STATEMENT OF FUNDS

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
UNRESTRICTED FUNDS						
General Funds	3,176	2,057	(361)	(790)	-	4,082
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(13)	27,616	(27,926)	477	-	154
Start up grant	-	23	(23)	-	-	-
Pupil Premium	3	1,971	(1,957)	-	-	17
Teachers pay and pension grants	-	1,262	(1,262)	-	-	-
Universal Infant Free School Meals	-	781	(781)	-	-	-
Catch Up Premium	-	492	(474)	-	-	18
Other DfE/ESFA grants	68	884	(841)	(1)	-	110
Other Government grants	144	1,246	(1,285)	-	-	105
Pension reserve	(14,230)	(1,197)	(2,037)	-	(5,165)	(22,629)
	(14,028)	33,078	(36,586)	476	(5,165)	(22,225)

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18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	50,596	2,286	(1,430)	-	-	51,452
Fixed assets funded from GAG/DfE/ESFA funds	5,575	-	(178)	1,243	-	6,640
DfE/ESFA capital grants unspent	927	992	-	(731)	-	1,188
ESFA Specific Capital Grants	124	840	-	-	-	964
Devolved Formula Capital unspent	204	195	-	(209)	-	190
LA unspent capital grants	30	500	-	(485)	-	45
Sport England Capital grants	4	-	(1)	-	-	3
Other capital grants and donations	654	370	(23)	496	-	1,497
Big Lottery funded assets	10	-	(1)	-	-	9
	<u>58,124</u>	<u>5,183</u>	<u>(1,633)</u>	<u>314</u>	<u>-</u>	<u>61,988</u>
TOTAL RESTRICTED FUNDS	<u>44,096</u>	<u>38,261</u>	<u>(38,219)</u>	<u>790</u>	<u>(5,165)</u>	<u>39,763</u>
TOTAL FUNDS	<u>47,272</u>	<u>40,318</u>	<u>(38,580)</u>	<u>-</u>	<u>(5,165)</u>	<u>43,845</u>

18. STATEMENT OF FUNDS (CONTINUED)

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

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

Start up grant - Funding from the ESFA to contribute to the cost of converting from a school to an academy.

Pupil Premium - Income from the ESFA to tackle disadvantage.

Teaches pay and pension grants - Funding from the ESFA to cover teachers pay and pension increases.

Universal Infant Free School Meals - Funding received from the ESFA to support eligible pupils.

Catch Up Premium - Funding received from the ESFA towards additional costs incurred due to Covid-19 catch up needs of students.

Other DfE/ESFA grants - Includes grants receivable from the Education and Skills Funding Agency and the Department of Education towards the principal activity of the Trust, being the provision of education.

Other government grants - Funding received by the Local Authority to fund further support for students with additional needs as well as other Local Authority grants.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.

DfE/ESFA Capital grants - This fund represents the net book value of assets funded from Devolved Formula Capital, Condition Improvement Funds and other DfE/ESFA capital funds and any unspent funding from these grants at the Balance Sheet date.

Big Lottery Grants - This fund represents the net book value of assets funded from Big Lottery grants.

Local Authority Capital grants - This fund represents the net book value of assets funded from Local Authority grants.

Sport England capital grants - This fund represents the net book value of assets funded from Sport England grants.

Other capital grants - This fund represents the net book value of assets funded from other capital grants.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
UNRESTRICTED FUNDS						
General Funds	3,129	1,709	(632)	(1,030)	-	3,176
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	26,103	(27,047)	931	-	(13)
Other DfE/ESFA grants	-	4,520	(4,449)	-	-	71
Other Government grants	173	1,183	(1,212)	-	-	144
Pension reserve	(10,493)	-	(1,879)	-	(1,858)	(14,230)
	<u>(10,320)</u>	<u>31,806</u>	<u>(34,587)</u>	<u>931</u>	<u>(1,858)</u>	<u>(14,028)</u>

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18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	51,893	-	(1,297)	-	-	50,596
Fixed assets funded from GAG/DfE/ESF A funds	4,747	-	(144)	972	-	5,575
DfE/ESFA capital grants unspent	243	1,295	-	(611)	-	927
ESFA Specific Capital Grants	5	120	-	(1)	-	124
Devolved Formula Capital unspent	277	188	-	(261)	-	204
LA unspent capital grants	35	85	-	(90)	-	30
Sport England Capital grants	9	-	(5)	-	-	4
Other capital grants and donations	93	479	(8)	90	-	654
Big Lottery funded assets	11	-	(1)	-	-	10
	<u>57,313</u>	<u>2,167</u>	<u>(1,455)</u>	<u>99</u>	<u>-</u>	<u>58,124</u>
TOTAL RESTRICTED FUNDS	<u>46,993</u>	<u>33,973</u>	<u>(36,042)</u>	<u>1,030</u>	<u>(1,858)</u>	<u>44,096</u>
TOTAL FUNDS	<u>50,122</u>	<u>35,682</u>	<u>(36,674)</u>	<u>-</u>	<u>(1,858)</u>	<u>47,272</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£000	£000
Alverton Primary School	182	174
Berrycoombe School	71	37
Blackwater Community Primary School	71	57
Bodriggy Academy	245	244
Cape Cornwall School	30	51
Cardinham School	134	152
Chacewater Community Primary School	65	67
Gulval Primary School	91	68
Hayle Academy	490	273
Kehelland Village School	114	95
Kennall Vale School	105	91
Lanivet Community Primary School	80	68
Liskeard Hillfort Primary School	151	76
Mithian School	123	124
Mousehole Community Primary School	93	67
Nanchedra School	87	57
Newlyn School	91	28
Pendeen School	121	46
Pensans Primary School	(17)	(47)
Perranporth Community Primary School	58	68
Roche Community Primary School	380	333
Sennen Community Primary School	34	38
St Dennis Primary Academy	278	432
St Erth Community Primary School	58	74
St Ives School	(3)	3
St Just Primary School	(1)	(39)
Threemilestone School	211	138
Tywardreath Primary School	162	101
Trewirgie Primary School	504	-
Cape Cornwall School Improvement Grant	106	144
Central Services	372	358
Total before fixed asset funds and pension reserve	4,486	3,378
Restricted fixed asset fund	61,988	58,124
Pension reserve	(22,629)	(14,230)
TOTAL	43,845	47,272

**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
Pensans Primary School	17
St Just Primary School	1
St Ives School	3
	<u><u>3</u></u>

Pensans Primary School is carrying a net deficit of £17k (2020: £47k) and St Just Primary School is carrying a net deficit of £1k (2020: £39k) as a result of a drop in pupil numbers. and St Ives School is carrying a deficit of £3k (2020: surplus of £3k) as a result of additional building repairs.

The Trust is taking the following action to return the academies to surplus:

Action plans have been implemented at the three schools in order to return them all to a surplus position. This includes carefully monitoring future forecasts and budgets and monitoring expenditure throughout the year.

**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

Total cost analysis by Academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation and pension £000	Total 2021 £000
Alverton Primary School	1,125	133	56	223	1,537
Berrycoombe School	1,203	208	47	231	1,689
Blackwater Community Primary School	417	47	45	137	646
Bodriggy Academy	911	114	69	211	1,305
Cape Cornwall School	1,325	303	123	337	2,088
Cardinham School	310	28	24	94	456
Chacewater Community Primary School	648	80	46	216	990
Gulval Primary School	578	111	59	151	899
Hayle Academy	2,204	335	107	483	3,129
Kehelland Village School	355	40	40	86	521
Kennall Vale School	445	26	42	146	659
Lanivet Community Primary School	633	69	44	140	886
Liskeard Hillfort Primary School	1,304	208	78	290	1,880
Mithian School	406	47	18	123	594
Mousehole Community Primary School	424	47	30	135	636
Nanchedra School	406	39	34	127	606
Newlyn School	515	87	32	133	767
Pendeen School	354	59	36	90	539
Pensans Primary School	1,042	238	32	230	1,542
Perranporth Community Primary School	631	111	49	135	926
Roche Community Primary School	813	119	45	124	1,101
Sennen Community Primary School	331	25	36	85	477
St Dennis Primary Academy	761	103	35	189	1,088
St Erth Community Primary School	430	45	29	104	608
St Ives School	2,567	292	149	493	3,501
St Just Primary School	664	71	32	127	894

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18. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation and pension £000	Total 2021 £000
Threemilestone School	1,375	166	86	374	2,001
Tywardreath Primary School	928	154	33	188	1,303
Trewirgie Infants School	251	61	12	45	369
Central Services	54	1,089	27	102	1,272
	<u>23,410</u>	<u>4,455</u>	<u>1,495</u>	<u>5,549</u>	<u>34,909</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation and pension £000	Total 2020 £000
Alverton Primary School	1,070	125	49	189	1,433
Berrycoombe School	1,179	203	84	196	1,662
Blackwater Community Primary School	415	38	30	131	614
Bodriggy Academy	885	94	47	161	1,187
Cape Cornwall School	1,448	260	155	343	2,206
Cardinham School	260	32	22	75	389
Chacewater Community Primary School	643	70	37	203	953
Gulval Primary School	600	100	47	125	872
Hayle Academy	2,431	299	139	451	3,320
Kehelland Village School	358	43	27	91	519
Kennall Vale School	420	22	41	141	624
Lanivet Community Primary School	572	58	52	109	791
Liskeard Hillfort Primary School	1,263	196	82	252	1,793
Mithian School	390	42	25	115	572
Mousehole Community Primary School	362	44	23	103	532
Nanchedra School	390	35	28	81	534
Newlyn School	582	86	43	138	849
Pendeen School	340	50	33	106	529
Pensans Primary School	1,082	256	48	182	1,568
Perranporth Community Primary School	630	100	36	119	885
Roche Community Primary School	717	113	47	109	986
Sennen Community Primary School	311	28	21	77	437
St Dennis Primary Academy	670	117	43	152	982
St Erth Community Primary School	428	43	27	84	582
St Ives School	2,290	259	161	406	3,116
St Just Primary School	657	67	29	123	876
Threemilestone School	1,354	151	85	343	1,933

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18. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation and pension £000	Total 2020 £000
Tywardreath Primary School	880	165	37	158	1,240
Central Services	40	1,011	15	288	1,354
	<u>22,667</u>	<u>4,107</u>	<u>1,513</u>	<u>5,051</u>	<u>33,338</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	60,511	60,511
Current assets	6,735	800	1,477	9,012
Creditors due within one year	(2,643)	(396)	-	(3,039)
Creditors due in more than one year	(11)	-	-	(11)
Provisions for liabilities and charges	-	(22,629)	-	(22,629)
TOTAL	4,081	(22,225)	61,988	43,844

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	56,889	56,889
Current assets	5,040	660	1,247	6,947
Creditors due within one year	(1,864)	(458)	(6)	(2,328)
Creditors due in more than one year	-	-	(6)	(6)
Provisions for liabilities and charges	-	(14,230)	-	(14,230)
TOTAL	3,176	(14,028)	58,124	47,272

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£000	£000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,738	(992)
ADJUSTMENTS FOR:		
Depreciation	1,634	1,455
Capital grants from DfE and other capital income	(2,890)	(1,688)
Interest receivable	(2)	(9)
Defined benefit pension scheme cost less contributions payable	1,776	1,663
Defined benefit pension scheme finance cost	261	216
Decrease/(increase) in debtors	(458)	79
Increase/(decrease) in creditors	473	(96)
Net assets and liabilities from transfer of academy into trust	(1,595)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	937	628

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
	£000	£000
Bank interest	2	9
Purchase of tangible fixed assets	(2,958)	(1,567)
Capital grants from DfE Group	2,528	1,505
Capital funding received from sponsors and others	327	-
Cash transferred from joining Academies	556	-
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	455	(53)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£000	£000
Cash in hand and at bank	6,983	5,591
TOTAL CASH AND CASH EQUIVALENTS	6,983	5,591

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23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	5,591	1,392	6,983
Debt due within 1 year	(6)	-	(6)
Debt due after 1 year	(6)	(5)	(11)
	<u>5,579</u>	<u>1,387</u>	<u>6,966</u>

24. CAPITAL COMMITMENTS

	2021 £000	2020 £000
Contracted but not provided for in these financial statements	<u>894</u>	<u>389</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £519,000 were payable to the schemes at 31 August 2021 (2020 - £485,000) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £3,021,000 (2020 - £3,718,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,827,000 (2020 - £1,817,000), of which employer's contributions totalled £1,431,000 (2020 - £1,439,000) and employees' contributions totalled £ 396,000 (2020 - £378,000). The agreed contribution rates for future years are 17.1% per cent for employers and 5.5% - 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	2.90	2.20
Discount rate of scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20

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

	2021	2020
	Years	Years
Retiring today		
Males	21.5	21.4
Females	24.1	23.6
Retiring in 20 years		
Males	22.8	22.3
Females	25.8	25.1

**TRURO & PENWITH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2021	2020
	£000	£000
Discount rate -0.1%	1,152	825
Salary rate +0.1%	92	73
CPI rate +0.1%	1,043	739
	<u><u> </u></u>	<u><u> </u></u>

SHARE OF SCHEME ASSETS

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

	2021	2020
	£000	£000
Equities	13,373	9,549
Corporate bonds	8,070	6,139
Property	1,383	1,023
Cash and other liquid assets	231	341
TOTAL MARKET VALUE OF ASSETS	<u><u>23,057</u></u>	<u><u>17,052</u></u>

The actual return on scheme assets was £2,305,000 (2020 - £(£646,000)).

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

	2021	2020
	£000	£000
Current service cost	(3,207)	(3,021)
Past service cost	-	(81)
Interest income	311	1,439
Interest cost	(572)	(216)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	<u><u>(3,468)</u></u>	<u><u>(1,879)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. PENSION COMMITMENTS (CONTINUED)

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

	2021	2020
	£000	£000
AT 1 SEPTEMBER	31,282	26,231
Transferred in on existing Academies joining the Trust	2,940	-
Current service cost	3,207	3,021
Interest cost	572	531
Employee contributions	396	378
Actuarial losses/(gains)	7,470	1,212
Benefits paid	(181)	(172)
Past service costs	-	81
	<u>45,686</u>	<u>31,282</u>

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

	2021	2020
	£000	£000
AT 1 SEPTEMBER	17,052	15,738
Transferred in on existing Academies joining the Trust	1,743	-
Interest income	311	315
Actuarial gains	2,305	(646)
Employer contributions	1,431	1,439
Employee contributions	396	378
Benefits paid	(181)	(172)
	<u>23,057</u>	<u>17,052</u>

**TRURO & PENWITH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Not later than 1 year	667	653
Later than 1 year and not later than 5 years	2,282	2,271
Later than 5 years	3,125	3,152
	<u>6,074</u>	<u>6,076</u>

Included above are future minimum lease payments under non-cancellable operating leases relating to the Trust's obligation under Private Finance Initiative (PFI) agreements. The Trust has given due regard to the guidance in the Academies Accounts Direction 2020/21 and FRS 102 and has determined that the schools which have PFI contracts are not required to account for any assets held under service concession arrangements.

Amounts due within 1 year: £478,000

Amounts due between 1 and 5 years: £1,913,000

Amounts due after more than 5 years: £2,932,000

27. MEMBERS' LIABILITY

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

28. GENERAL INFORMATION

Truro & Penwith Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Academy House, Truro Business Park, Threemilestone, Truro, TR4 9LD.

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the year:

Truro and Penwith College - a Corporate Member. Transactions with no profit element totalling £9,494 (2020: £42,831) relating to recharges of costs to the Trust and £2,096 (2020: £41,980) relating to income received from the College took place in the year. £Nil was owed to the College by the Trust at the year end (2020: £Nil) and £1,000 was owed to the Trust (2020: £1,289). All charges to the Trust from Truro and Penwith College were provided at no more than cost and are supported by a statement of assurance.

W Stevenson and Sons Limited - a company of which E Lambourn (local governing board member) is a director. Transactions totalling £68 (2020: £1,058) relating to services provided to the Trust took place in the period. £Nil (2020: £NIL) was owed by the Trust at 31 August 2021. In entering into the transactions, the Trust has complied with the requirement of the ESFA's Academies Financial Handbook.

Donations free from any restrictions totalling £125,000 (2020: £125,000) and donations restricted for the purchase of fixed assets totalling £66,487 (2020: £415,000) were received from Trustees in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

30. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST

Trewirgie Infants School

	Value reported by transferring trust £000	Transfer in recognised £000
TANGIBLE FIXED ASSETS		
Long-term leasehold property	1,354	1,354
Leasehold improvements	914	914
Furniture and equipment	19	19
Computer equipment	10	10
CURRENT ASSETS		
Debtors due within one year	180	180
Cash at bank and in hand	556	556
LIABILITIES		
Creditors due within one year	(233)	(233)
Creditors due after one year	(8)	(8)
PENSIONS		
Pensions - pension scheme assets	1,743	1,743
Pensions - pension scheme liabilities	(2,940)	(2,940)
NET ASSETS	<u>1,595</u>	<u>1,595</u>