

SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of Trustees' responsibilities	14
Independent auditors' report on the financial statements	15 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities incorporating income and expenditure account	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 49

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017**

Members	Andrew North (appointed 9 January 2017) Jo Osborne (appointed 9 January 2017) Simon Tregoning (appointed 9 January 2017) Dr Ian Luke (appointed 9 January 2017)
Trustees	Helena Arnold (appointed 19 October 2017) Catherine Bird (appointed 2 February 2017) ¹ Donna Bryant, CEO (appointed 9 January 2017) ^{1,2} Sean Davis, Vice Chair (appointed 9 January 2017) ² Linda Dye (appointed 9 January 2017, resigned 17 March 2017) Alan Horne (appointed 9 January 2017) ¹ Rev Peter Johnson (appointed 19 October 2017) Kristin Pryor (appointed 9 January 2017) ² Susan Reynolds (appointed 4 May 2017) ² Kevin Thomas, Chair (appointed 9 January 2017) ¹
	1 Finance Committee 2 Standards Committee
Company registered number	10552443
Company name	Southerly Point Co-Operative Multi-Academy Trust
Principal and registered office	MAT Office c/o Helston Community College Church Hill Helston Cornwall TR13 8NR
Company secretary	Maria Collins
Chief executive officer	Donna Bryant
Senior management team	Sean Pinhay, Chief Finance Officer Maria Collins, Business Manager Lois Horne, Business Manager David Ellis, Estates Manager Wayne Randle, Hub Leader Brett Dye, Hub Leader Richard Lawrence, Hub Leader
Bankers	Lloyds Bank PLC 1 Market Place Helston Cornwall TR13 8SU
Solicitors	Browne Jacobson LLP 1 Manor Court Dix's Field Exeter Devon EX1 1UP

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 13 primary and 2 secondary academies in Helston and The Lizard, Cornwall. It's academies have a combined pupil capacity of 4,079 and had a roll of 3,652 in the school census on 1 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust (was incorporated on 9 January 2017 and opened as an Academy Trust on 1 June 2017) is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Southerly Point Co-Operative Multi-Academy Trust are also the directors of the charitable company for the purposes of company law.

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

Members' Liability

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

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1st June, the Trustees appointed all those Trustees who had served on the Shadow Board, having been selected by skills set from the predecessor schools, to be Trustees of the newly formed Academy Trust.

The Academy Trust shall have not less than three Trustees and shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 6 Trustees who are appointed by Members
- No fewer than 2 Foundation Trustees appointed by Askel Veur provided that the total number does not exceed 25% of the total of Trustees
- The Chief Executive Officer appointed by Members
- Up to 1 Academy Trustee
- Co-opted Trustees - if an employee, their number should not exceed one third of total number of Trustees

Trustees are appointed for a four year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will 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 Academy Trust's development.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses and sharing of ideas and views with other Academy Trust Trustees from both within and outside the Academy Trust is actively encouraged and promoted.

Organisational Structure

Southerly Point Co-Operative Multi-Academy Trust follows the organisational structure laid down in the articles of association that were registered with Companies House on 9th January 2017.

The Academy Trust's organisational structure consists of Members, Trustees, the Central Leadership Team, Hub Councils, Local Governing Groups and the Forum. A summary of their role is set out in the scheme of delegated authority.

The Members have ultimate control over the Trust with the ability to appoint some Trustees and the right to amend the articles of association. The Members meet annually to hold an Annual General Meeting.

The Trustees establish an overall framework for the Academy Trust and are responsible for setting direction, holding Academy Trust leaders to account and ensuring financial probity. As Trustees of a charitable company, they also ensure that the Academy Trust complies with charity and company law requirements. The Trustees meet at least termly.

There are 2 committees as follows:

- Finance and Resources Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. In addition, it has responsibility for the Estate.
- Standards Committee - this meets once a term to monitor, evaluate and review Academy Trust policy, practice and performance in relation to achievement and progress; behaviour and attendance.

In addition, each school has a Local Governing group that in turn has representatives on one of three Hub Councils. Each Hub Council has a representative on each of the Trustee Committees. The Hub Councils are responsible for ensuring consistency of delivery of policy in the hub schools. The Local Governing groups work with Headteachers to review the practice of the school in relation to their improvement plans, curriculum, teaching and learning and liaison with community.

The Academy Trust's Central Leadership Team consists of the Chief Executive Officer, the Hub Leaders, the Chief Finance Officer, the Estates Manager and Business Managers. The Central Leadership Team oversee the strategic direction of the Academy Trust, monitor its effectiveness and standards and drive its development in all areas.

The day-to-day running of the schools is delegated to the Headteacher and respective senior leaders of the schools who have responsibility for their agreed budgets which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff within their schools, in line with the Academy Trust's recruitment policy.

A summary of the responsibilities is set out in the Scheme of Delegation.

The Chief Executive Officer is the Accounting Officer.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

The pay of key management personnel is reviewed annually and is benchmarked against pay levels in other multi-academy trusts of similar size, both locally and nationally.

Connected Organisations, including Related Party Relationships

During the period the following related party transactions took place:

The wife of Mr A. Horne, a Trustee Mrs L. Horne was employed as the School Business Manager for Helston Community College during the period of trading she was paid a salary (inc. pension contributions) of £15,106.

The wife of Mr B. Dye, a Hub Leader Mrs L. Dye supplied educational professional services to the value of £1,000 to the Academy Trust via her company Synergic Learning.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

Southerly Point Co-operative Multi-Academy Trust seeks to 'enable excellence together.' The aims of the Academy Trust during the period 1st June to 31 August 2017 are summarised below and will be continued into the following year:

- Excellence in teaching and learning
- A culture of high expectations and aspirations, continuous improvement and commitment to learning
- Resilient people who show respect for others and contribute as active citizens to their communities
- Outstanding leaders at all levels through the schools and Academy Trust who are confident, proactive and effective
- Excellent support services to enable and support a sustainable education model for the community, optimising depth and breadth in the capability and capacity of the Academy Trust

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Trust Development Plan which is available from the Academy Trust Office.

Improvement focuses identified for this year include:

- Ensure pupils typically experience good or better lessons resulting in effective outcomes
- Improve outcomes for children in pupil premium category
- Improve writing outcomes across the Academy Trust
- Foster a research approach to improving teaching and learning
- Improve maths outcomes across the Academy Trust
- Develop staff confidence in assessing for the new GCSEs
- Observable growth mind-set in staff and children
- Children encouraged to think forward for careers
- Staff actively engaged with their own professional development

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

- Developing resilience and well-being in staff and children
- Development of Leaders at all levels
- Embed coaching in staff development
- Ensure governance roles are understood and effective
- Review risk management approaches
- Establish a clear and effective finance system
- Achieve savings through procurement
- Align HR procedures and policies
- Establish Estates management strategy
- Develop a well-trained, flexible support workforce

Key activities and targets were identified in the Academy Trust Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy Trust status.

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

The Academy Trust is in its first period of operation with 15 schools converting to academy status on 1st June 2017. In its first 3 months of operation, it has established a governance and leadership structure and inducted key personnel into their roles. The Hub Leaders have established a good understanding of the schools in their hubs and are clear about the priorities going forwards.

The schools had been working together prior to conversion to implement the first stages of the priorities set out in the Academy Trust Improvement Plan.

Over 40 members of staff have completed coaching programmes in the last academic year. This has increased their confidence in dealing with self-management and well-being as well as in dealing with developing others and addressing challenging situations as leaders.

Leaders at all levels are networking and supporting each other. The Academy Trust now has 3 executive headteachers across 7 schools. New Assistant Heads in these schools have established a network and are developing their leadership capacity and supporting each other in the roles.

Network groups for key aspects of the Academy Trust's educational provision are in place, led by headteachers. Each group is focusing on developing an area of expertise, sharing best practice and enhancing provision. E.g. Safeguarding group have established a new monitoring and challenge programme; Literacy group have undertaken moderation to ensure robust assessment led to improved outcomes (writing)

Breage School achieved a 'Good' rating from its SIAMs inspection.

With the support of the Academy Trust's Teaching School, Landwednack School made excellent progress from its disappointing previous year. (See below) The School Improvement Partner has praised the work of the headteacher in effecting a change of culture of the school.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

Landewednack Performance

	Reading % EXS+	Reading % GDS	GPS % EXS+	GPS % GDS	Maths % EXP+	Maths % GDS	Writing % EXS	Writing % GDS
2016	36	9	45	0	64	0	36	0
2017	84	32	84	16	84	5	84	16

Scaled Scores	Reading	GPS	Maths
2016	99.0	99.0	100.0
2017	107.0	106.8	103.8

Cury School, which has an historical RI rating with Ofsted, has consistently received excellent feedback from a range of school improvement visits.

External Pupil Premium reviews praised provision for children. Areas of strength identified include high quality provision for PP children in all the reviewed schools; the programmes ranging from individual support with extra-curricular activities to specific support within the classroom; every teacher having an in depth knowledge of PP children; and good provision for Forces Premium children.

Both secondary schools have achieved positive Progress 8 scores despite the changes to the GCSEs; Mullion achieved 4th place in the County.

The Academy Trust is now in line with maths at the key stage 2 expected standard 73% vs 75% nationally. In 2016, the Academy Trust lagged the national by 8% the expected standard. Maths was a focus across the Academy Trust and we have closed the gap at the expected standard

In writing, the Academy Trust is in line with the national at the expected standard 75% vs 75% and the greater depth 16% vs 18% for key stage 2. This is a big improvement on the previous year where the Academy Trust lagged the national by 8%.

The Estates Manager has made savings on procurement of capital projects and compliance, e.g. removal of a wall to provide a more effective classroom space at Cury; provision of secure office spaces at Cury and Landewednack. He has overseen backlog maintenance projects and managed the sites in the summer holidays. Heads report that the new system has saved them time and enabled them to focus on teaching and learning.

Key Performance Indicators

It should be noted that this initial period of trade was only three months and therefore the Academy Trust is still in the process of determining performance indicators.

Currently the main financial performance indicator is the level of reserves held on the Balance Sheet against General Annual Grant (GAG). In the period under review, no GAG was carried forward.

The other key financial performance indicator is currently staffing costs as a percentage of total Academy Trust income. For 2017 this was 84%, the Academy Trust's objective is for these costs to remain between 78% and 81%.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

Going Concern

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

To enable the Trustees to ensure the Academy Trust remains a going concern the CFO will be required to produce a five year projection on an annual basis (to include a mid-year review). The projections will include a cash flow projection.

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust will in future receive grants for fixed assets from the DfE which will be shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

During the period ended 31 August 2017, the Academy Trust received total income of £34,360,000 and incurred total expenditure of £4,960,783. The excess of income over expenditure for the period was £29,399,217.

At 31 August 2017 the net book value of fixed assets was £29,086,372 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The land, buildings and other assets were transferred to the Academy Trust upon conversion. Land and buildings were professionally valued on 01/06/2017 at £28,871,646. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share £999,938 was transferred across on conversion and is shown as Unrestricted Funds.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

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

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately between 3% and 8.3% of total income received. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total income for the year, excluding fixed assets and pension received on conversion, was

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

£4,658,272. The free reserves for the Academy Trust at year end were £1,027,098.

Currently the Academy Trust reserves are not pooled but remain specific to each of the schools.

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

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is currently held in the Academy Trust's current account which in turn is covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the CFO within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

The Academy Trust continues to strengthen its risk management, improving the process and making staff more aware of their role in managing the risks. A risk register is maintained, reviewed, and updated on a regular basis.

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

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at Finance and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments. The reduction in post 16 funding levels, the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment costs mean that budgets will be increasingly tight in coming years.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to roll out the priorities established in its first 3 months.

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels.

The Academy Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community and to grow the Academy Trust to have impact on a larger scale, giving greater opportunities to our wider community.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EQUALITY

The Academy Trust has in place the school predecessor policies for equalities, and a new draft policy is currently under consultation.

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, approved by order of the Board of Trustees, as company directors, on 14 December 2017 and signed on the board's behalf by:

**Kevin Thomas
Chair of Trustees**

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Southerly Point Co-Operative Multi-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 2 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Helena Arnold	0	0
Catherine Bird	2	2
Donna Bryant, CEO	2	2
Sean Davis, Vice Chair	2	2
Linda Dye	0	0
Alan Horne	2	2
Rev Peter Johnson	0	0
Kristin Pryor	2	2
Susan Reynolds	2	2
Kevin Thomas, Chair	2	2

In the first 3 months of operation, 1st June – 31st August, there have been no key changes in the composition of the Board of Trustees. A skills audit was undertaken in the period immediately prior to the opening of the Academy Trust. New Trustees will be joining the Academy Trust to address the gaps identified.

The primary work of the Academy Trust in its first 3 months has been to ensure policies are aligned and appropriate; the governors understand their roles and responsibilities with some key work being undertaken on data protection and websites; that systems and procedures for finance are robust and responsibilities understood by all parties; and that the procurement of key services meets the needs of the school. The initial phase of pay harmonisation for support staff has been undertaken and a plan established for the coming year. In addition the Academy Trust has appointed an Estate Manager who is ensuring that compliance is robust; that property maintenance is proactive and responsive and that a plan for capital development is drafted. The school improvement work has focused on reviewing the school's effectiveness in respect of children in receipt of the Pupil Premium; writing moderation; and addressing performance issues in Maths. Each headteacher is taking the lead on one aspect of school provision and leading a team of staff on developing work in these areas: literacy, numeracy; EYFS; IT; safeguarding; SEND; PSCHE and well-being; the Hub Leaders and CEO have made initial visits to the schools to audit practice and interrogate performance data.

The Board's has provided challenge and support to the CEO and has met the challenge of establishing an Academy Trust of 15 in one step. The challenges this has brought have been in ensuring clarity for the organisation in terms of systems and processes but these are becoming more well-known with time.

The Board has received reports from the CEO and Finance team and robust discussion have taken place. In the 3 months of operation, information received re school performance has been triangulated by external School Improvement Partner visits and by an external data analyst. Information produced by the finance team has been interrogated and suggestions made about the ways to improve the quality of information have been taken on board. The appointment of the permanent CFO from mid-August has improved the rigour and capacity of the finance team.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

Challenging how and why services are provided to our schools within Southerly Point Co-operative Multi-Academy Trust. We regularly review all of the Academy Trust's core functions to ensure continual improvement in all areas of the Academy Trust. e.g. procurement of compliance managed in house rather than through third party contractors.

Comparing the performance of the schools within Southerly Point Co-operative Multi-Academy Trust with each other, with neighbouring schools and national schools and within the schools themselves. This is performed through the data dashboard used by the Academy Trust and through external reviews e.g. pupil premium audit to ensure money spent is achieving results.

Collaborating with schools within Southerly Point Co-operative Multi-Academy Trust to obtain high quality services and professional development opportunities, as well as growing our own staff and services. E.g network group for core elements led by staff for staff such as literacy moderation; using experienced staff to coach and mentor others to the standards we require.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Southerly Point Co-Operative Multi-Academy Trust for the period 1 June 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 1 June 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Cornwall Council Audit Services as internal auditor.

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

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of control account/bank account reconciliations;
- Financial Policies;
- Academy Trust minutes and agendas; and
- Website.

On a quarterly basis, the internal auditor reports to the Board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board 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 14 December 2017 and signed on their behalf, by:

Kevin Thomas
Chair of Trustees

Donna Bryant
Accounting Officer

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Southerly Point Co-Operative Multi-Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.

Donna Bryant
Accounting Officer

Date: 14 December

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Southerly Point Co-Operative Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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:

Chair of Trustees

Date: 14 December 2017

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST**

OPINION

We have audited the financial statements of Southerly Point Co-Operative Multi-Academy Trust for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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
19 December 2017

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 May 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southerly Point Co-Operative Multi-Academy Trust during the period 1 June 2017 to 31 August 2017 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 Southerly Point Co-Operative Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Southerly Point Co-Operative Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Southerly Point Co-Operative Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Southerly Point Co-Operative Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 31 May 2017, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 period 1 June 2017 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTHERLY
POINT CO-OPERATIVE MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY
(continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 June 2017 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Alison Oliver FCA (Reporting Accountant)

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

19 December 2017

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
INCOME FROM:					
Donations & capital grants:					
Transfers from Local Authority on Conversion	2	999,938	(3,520,715)	29,222,505	26,701,728
Other donations and capital grants	2	-	10,107	98,053	108,160
Charitable activities	3	217,413	4,289,172	-	4,506,585
Other trading activities	4	43,361	-	-	43,361
Investments	5	166	-	-	166
TOTAL INCOME		1,260,878	778,564	29,320,558	31,360,000
EXPENDITURE ON:					
Raising funds		50,480	23,364	-	73,844
Charitable activities		183,300	4,574,261	129,378	4,886,939
TOTAL EXPENDITURE	6	233,780	4,597,625	129,378	4,960,783
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	19	1,027,098	(3,819,061)	29,191,180	26,399,217
		-	(27,859)	27,859	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		1,027,098	(3,846,920)	29,219,039	26,399,217
Actuarial losses on defined benefit pension schemes	25	-	(167,000)	-	(167,000)
NET MOVEMENT IN FUNDS		1,027,098	(4,013,920)	29,219,039	26,232,217
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		1,027,098	(4,013,920)	29,219,039	26,232,217

All of the Academy Trust's activities derive from acquisitions in the current financial period.

SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 10552443

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £
FIXED ASSETS			
Tangible assets	15		29,086,372
CURRENT ASSETS			
Debtors	16	1,999,047	
Cash at bank and in hand		924,127	
		<u>2,923,174</u>	
CREDITORS: amounts falling due within one year	17	<u>(1,543,329)</u>	
NET CURRENT ASSETS			<u>1,379,845</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>30,466,217</u>
Defined benefit pension scheme liability	25		<u>(4,234,000)</u>
NET ASSETS			<u><u>26,232,217</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
General funds	19	220,080	
Fixed asset funds	19	29,219,039	
		<u>29,439,119</u>	
Restricted funds excluding pension liability		29,439,119	
Pension reserve		<u>(4,234,000)</u>	
Total restricted funds			<u>25,205,119</u>
Unrestricted funds	19		<u>1,027,098</u>
TOTAL FUNDS			<u><u>26,232,217</u></u>

The financial statements on pages 20 to 49 were approved by the Trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Chair of Trustees

The notes on pages 23 to 49 form part of these financial statements.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	2017 £
Cash flows from operating activities		
Net cash provided by operating activities	21	<u>30,137,656</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments		166
Purchase of tangible fixed assets		(58,969)
Fixed assets transferred on conversion		<u>(29,154,726)</u>
Net cash used in investing activities		<u>(29,213,529)</u>
Change in cash and cash equivalents in the period		924,127
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	22	<u><u>924,127</u></u>

The notes on pages 23 to 49 form part of these financial statements.

All of the cash flows are derived from acquisitions in the current financial period.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Southerly Point Co-Operative Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

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

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	-	50 years straight line
Motor vehicles	-	5 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

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.

1.6 OPERATING LEASES

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

1.7 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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.

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.11 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.13 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Cornwall Council to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

1.14 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 and include grants from the Department for Education.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 judgment:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Transfers from Local Authority on Conversion	999,938	(3,520,715)	29,222,505	26,701,728
Donations	-	10,107	-	10,107
Capital Grants	-	-	98,053	98,053
	999,938	(3,510,608)	29,320,558	26,809,888

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Education	176,394	4,286,717	4,463,111
Nursery	41,019	-	41,019
Teaching school	-	2,455	2,455
	<u>217,413</u>	<u>4,289,172</u>	<u>4,506,585</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant	-	3,634,211	3,634,211
Start up Grants	-	223,500	223,500
Other DfE/ESFA grants	-	407,831	407,831
High Needs	-	12,139	12,139
	<u>-</u>	<u>4,277,681</u>	<u>4,277,681</u>
Other funding			
Internal catering income	50,758	-	50,758
Sales to students	3,513	-	3,513
Other	122,123	9,036	131,159
	<u>176,394</u>	<u>9,036</u>	<u>185,430</u>
	<u>176,394</u>	<u>4,286,717</u>	<u>4,463,111</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Lettings	9,856	-	9,856
Extended services	33,505	-	33,505
	<u>43,361</u>	<u>-</u>	<u>43,361</u>

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Bank interest	166	-	166

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Expenditure on fundraising trading	25,417	-	48,427	73,844
Education:				
Direct costs	3,171,675	106,933	296,866	3,575,474
Support costs	604,767	283,656	317,577	1,206,000
Nursery:				
Direct costs	99,091	-	482	99,573
Support costs	-	4,598	1,294	5,892
	<u>3,900,950</u>	<u>395,187</u>	<u>664,646</u>	<u>4,960,783</u>

7. DIRECT COSTS

	Education £	Nursery £	Total 2017 £
Pension finance costs	14,518	482	15,000
Educational supplies	116,027	-	116,027
Examination fees	5,154	-	5,154
Staff development	23,769	-	23,769
Other costs	118,236	-	118,236
Supply teachers	25,829	-	25,829
Technology costs	19,163	-	19,163
Wages and salaries	2,436,747	80,977	2,517,724
National insurance	221,782	4,652	226,434
Pension cost	487,317	13,462	500,779
Depreciation	106,932	-	106,932
	<u>3,575,474</u>	<u>99,573</u>	<u>3,675,047</u>

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

8. SUPPORT COSTS

	Education £	Nursery £	Total 2017 £
Pension finance costs	11,000	-	11,000
Other costs	4,061	1,294	5,355
Recruitment and support	1,474	-	1,474
Maintenance of premises and equipment	63,337	202	63,539
Cleaning	48,514	2,179	50,693
Rent and rates	47,800	743	48,543
Energy costs	46,322	1,060	47,382
Insurance	57,293	414	57,707
Security and transport	68,898	-	68,898
Catering	34,657	-	34,657
Technology costs	54,768	-	54,768
Office overheads	46,322	-	46,322
Legal and professional	34,437	-	34,437
Bank interest and charges	1,748	-	1,748
Governance	58,158	-	58,158
Wages and salaries	433,121	-	433,121
National insurance	30,821	-	30,821
Pension cost	142,880	-	142,880
Depreciation	20,389	-	20,389
	<u>1,206,000</u>	<u>5,892</u>	<u>1,211,892</u>

During the year ended 31 August 2017, the Academy Trust incurred Governance costs of £58,158, which are included within the table above. Governance costs are any costs associated with the strategic as opposed to day-to-day management of the Academy Trust's activities, such as accountancy fees, legal and professional fees and clerking fees.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £
Depreciation of tangible fixed assets: - owned by the charity	127,323
Auditors' remuneration - audit	8,750
Auditors' remuneration - other services	12,200
Internal audit costs	2,900
Operating leases	16,895
	<u>168,068</u>

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

10. STAFF COSTS

Staff costs were as follows:

	2017
	£
Wages and salaries	2,960,734
Social security costs	258,662
Operating costs of defined benefit pension schemes	647,041
	3,866,437
Apprenticeship levy	8,684
Supply teacher costs	25,829
	3,900,950

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

	2017
	No.
Teachers	212
Administration and support	337
Management	34
	583

Average headcount expressed as a full time equivalent:

	2017
	No.
Teachers	171
Administration and support	200
Management	33
	404

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

	2017
	No.
In the band £60,001 - £70,000	5
In the band £70,001 - £80,000	3
In the band £110,000 - £120,000	1

The key management personnel of the Academy Trust comprise the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £139,708.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

11. CENTRAL SERVICES

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

- Financial Management & Processing Services
- General Insurance
- Academy Improvement Services
- Human Resources & Payroll Services
- Legal Services
- IT Licences (Accountancy & MIS)
- Accountancy & Audit
- Data and Statistics Services
- Free School Meals and Pupil Premium Administration
- Safety of School Visit Administration
- Actuarial Valuation

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

Schools are charged 5% of their School Budget Share and MFG grants annually for these services.

The actual amounts charged during the year were as follows:

	2017 £
Breage	4,572
Crowan	5,045
Cury	2,808
Garras	5,599
Godolphin	4,942
Halwin	4,017
Helston	64,230
Landewednack	5,382
Mullion CP	7,402
Mullion	31,982
Parc Eglos	17,667
Porthleven	11,708
Sithney	5,041
Trannack	3,849
Wendron	5,638
	<hr/>
Total	179,882 <hr/> <hr/>

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows: D Bryant: remuneration between twenty five thousand and thirty thousand pounds, employers pension contributions between one thousand and five thousand pounds.

During the period ended 31 August 2017, expenses totalling £418 were reimbursed to 1 Trustee.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2017 was £374.

14. OTHER FINANCE INCOME

	2017 £
Interest income on pension scheme assets	36,000
Interest on pension scheme liabilities	(62,000)
	<u>(26,000)</u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 June 2017	-	-	-	-	-
Additions	56,734	-	-	2,235	58,969
On conversion	28,871,646	36,377	164,910	81,793	29,154,726
	<u>28,928,380</u>	<u>36,377</u>	<u>164,910</u>	<u>84,028</u>	<u>29,213,695</u>
At 31 August 2017	28,928,380	36,377	164,910	84,028	29,213,695
DEPRECIATION					
At 1 June 2017	-	-	-	-	-
Charge for the period	110,256	1,819	8,246	7,002	127,323
	<u>110,256</u>	<u>1,819</u>	<u>8,246</u>	<u>7,002</u>	<u>127,323</u>
At 31 August 2017	110,256	1,819	8,246	7,002	127,323
NET BOOK VALUE					
At 31 August 2017	<u>28,818,124</u>	<u>34,558</u>	<u>156,664</u>	<u>77,026</u>	<u>29,086,372</u>

16. DEBTORS

	2017 £
Trade debtors	65,017
Other debtors	443
Prepayments and accrued income	1,832,119
Tax recoverable	101,468
	<u>1,999,047</u>

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £
Trade creditors	519,464
Other taxation and social security	497,859
Accruals and deferred income	526,006
	<hr/>
	1,543,329
	<hr/> <hr/>
	£
DEFERRED INCOME	
Resources deferred during the year	436,105
	<hr/> <hr/>

18. FINANCIAL INSTRUMENTS

	2017 £
Financial assets measured at amortised cost	1,751,538
	<hr/> <hr/>
Financial liabilities measured at amortised cost	609,368
	<hr/> <hr/>

Financial assets measured at amortised cost comprise trade debtors and accrued income.

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

SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

19. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	-	1,260,878	(233,780)	-	-	1,027,098
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	3,634,211	(3,606,352)	(27,859)	-	-
Rates Relief	-	17,588	(17,588)	-	-	-
UIFSM	-	65,605	(65,605)	-	-	-
Pupil premium	-	219,833	(196,549)	-	-	23,284
Start up grant	-	223,500	(58,270)	-	-	165,230
16-19 Funding	-	390,243	(390,243)	-	-	-
LA Higher Needs	-	12,139	(12,139)	-	-	-
LA EAL Funding	-	1,400	(1,400)	-	-	-
LA Reintegration Funding	-	7,636	(7,636)	-	-	-
Other restricted donations	-	2,226	(2,226)	-	-	-
PE and Sports Grant Funding	-	27,733	(16,770)	-	-	10,963
Teaching School	-	43,569	(22,966)	-	-	20,603
Church Rental	-	7,881	(7,881)	-	-	-
Pension reserve	-	(3,875,000)	(192,000)	-	(167,000)	(4,234,000)
	-	778,564	(4,597,625)	(27,859)	(167,000)	(4,013,920)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	-	29,154,726	(126,578)	-	-	29,028,148
Fixed assets purchased from GAG and other restricted funds	-	-	-	27,859	-	27,859
Devolved Formula Capital	-	141,818	(2,400)	-	-	139,418
LA Backlog Funding	-	24,014	(400)	-	-	23,614
	-	29,320,558	(129,378)	27,859	-	29,219,039
Total restricted funds	-	30,099,122	(4,727,003)	-	(167,000)	25,205,119
Total of funds	-	31,360,000	(4,960,783)	-	(167,000)	26,232,217

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

Restricted Funds

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

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

Rates Funding - Income received from ESFA towards rates costs.

LA Higher Needs - Funding received by the Local Authority to fund further support for students with additional needs.

PE and Sports Grant Funding - this is designed to help schools improve the quality of the PE and sport activities they offer their pupils.

Pension Reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed asset funds

Fixed Assets Transferred on Conversion - this represents the buildings and equipment donated to the schools from the Local Authority on conversion to an Academy Trust.

Fixed Assets Purchased from GAG - represents funds transferred from GAG to purchase fixed assets.

Devolved Formula Capital - Income received from the ESFA for capital projects, £67,779 of this was received on conversion.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £
Breage	49,594
Crowan	40,547
Cury	(3,373)
Garras	248,376
Godolphin	3,667
Halwin	80,319
Helston	403,487
Landewednack	42,437
Mullion CP	(919)
Mullion	(120,696)
Parc Eglos	59,952
Porthleven	100,218
Sithney	85,303
Trannack	27,848
Wendron	65,187
Southerly Central	165,231
Total before fixed asset fund and pension reserve	1,247,178
Restricted fixed asset fund	29,219,039
Pension reserve	(4,234,000)
Total	26,232,217

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

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

Name of academy	Amount of deficit £
Cury	(3,373)
Mullion CP	(919)
Mullion	(120,696)

A one off redundancy in Cury resulted in the small deficit which will not reoccur due to the resulting reduction off staff costs.

A reduction in pupil numbers resulted in reduced funding and over staffing for Mullion CP.

The staff profile at Mullion has also affected the carried forward reserves due to lower pupil numbers and a high level of SEN needs which don't meet the requirements for additional funding.

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

Staff restructuring across the schools is in place to ensure that there is an appropriate level of staffing costs at each school. There has also been an increase in pupil numbers which will ultimately result in additional funding being received.

The Academy Trust is closely monitoring costs and the forthcoming budgets will reflect these changes.

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £
Breage	61,496	5,882	2,631	30,108	100,117
Crowan	78,272	7,794	2,410	12,149	100,625
Cury	46,466	3,039	2,175	22,800	74,480
Garras	52,194	3,886	3,462	15,038	74,580
Godolphin	69,071	8,618	765	15,264	93,718
Halwin	57,573	7,384	2,504	10,587	78,048
Helston	1,225,576	246,109	51,861	243,165	1,766,711
Landewednack	90,446	8,871	7,918	27,385	134,620
Mullion	521,693	89,470	15,487	73,886	700,536
Mullion CP	103,805	11,961	1,498	27,700	144,964
Parc Eglos	292,813	57,560	12,148	108,675	471,196
Porthleven	176,550	27,699	3,233	41,566	249,048
Sithney	76,578	4,916	4,797	15,869	102,160
Trannack	64,956	6,712	1,914	11,264	84,846
Wendron	88,487	11,375	1,420	25,657	126,939
Southerly Central	154,870	116,545	1,805	257,652	530,872
	<u>3,160,846</u>	<u>617,821</u>	<u>116,028</u>	<u>938,765</u>	<u>4,833,460</u>

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	29,086,373	29,086,373
Current assets	2,570,428	220,080	132,666	2,923,174
Creditors due within one year	(1,543,330)	-	-	(1,543,330)
Pension scheme liability	-	(4,234,000)	-	(4,234,000)
	<u>1,027,098</u>	<u>(4,013,920)</u>	<u>29,219,039</u>	<u>26,232,217</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £
Net income for the year (as per Statement of Financial Activities)	26,399,217
Adjustment for:	
Depreciation charges	127,323
Dividends, interest and rents from investments	(166)
Increase in debtors	(1,999,047)
Increase in creditors	1,543,329
Defined benefit pension scheme cost less contributions payable	166,000
Defined benefit pension scheme finance cost	26,000
Net gain on assets and liabilities from local authority on conversion	3,875,000
Net cash provided by operating activities	<u><u>30,137,656</u></u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £
Cash at bank and in hand	924,127
	<u><u>924,127</u></u>

23. CONVERSION TO AN ACADEMY TRUST

On 1 June 2017 Breage C of E, Crowan Primary School, Cury C of E, Garras Community Primary School, Godolphin Primary, Halwin School, Helston Community College, Landewednack CP School, Mullion Community Primary, Mullion School, Parc Eglos, Porthleven Primary School, Sithney Community Primary School, Trannack Community Primary, Wendron C of E converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southerly Point Co-Operative Multi-Academy Trust from Cornwall Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

23. CONVERSION TO AN ACADEMY TRUST (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	28,871,646	28,871,646
- Other tangible fixed assets	-	-	283,080	283,080
Budget surplus on LA funds	999,938	354,285	67,779	1,422,002
LGPS pension (deficit)	-	(3,875,000)	-	(3,875,000)
Net assets/(liabilities)	<u>999,938</u>	<u>(3,520,715)</u>	<u>29,222,505</u>	<u>26,701,728</u>

BREAGE CHURCH OF ENGLAND PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	5,950	5,950
- Other tangible fixed assets	-	-	3,348	3,348
Budget surplus on LA funds	39,018	14,073	-	53,091
LGPS pension (deficit)	-	(38,750)	-	(38,750)
Net assets/(liabilities)	<u>39,018</u>	<u>(24,677)</u>	<u>9,298</u>	<u>23,639</u>

The above net assets include £39,018 that were transferred as cash.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

CROWAN PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	616,543	616,543
- Other tangible fixed assets	-	-	7,000	7,000
Budget surplus on LA funds	30,165	14,807	-	44,972
LGPS pension (deficit)	-	(77,500)	-	(77,500)
	<u>30,165</u>	<u>(62,693)</u>	<u>623,543</u>	<u>591,015</u>
Net assets/(liabilities)	<u>30,165</u>	<u>(62,693)</u>	<u>623,543</u>	<u>591,015</u>

The above net assets include £30,165 that were transferred as cash.

CURY CHURCH OF ENGLAND PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	19,125	19,125
- Other tangible fixed assets	-	-	13,010	13,010
Budget (deficit) on LA funds	(3,799)	6,821	-	3,022
	<u>(3,799)</u>	<u>6,821</u>	<u>32,135</u>	<u>35,157</u>
Net assets/(liabilities)	<u>(3,799)</u>	<u>6,821</u>	<u>32,135</u>	<u>35,157</u>

The above net assets include a cash deficit of £3,799.

GARRAS COMMUNITY PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	383,034	383,034
- Other tangible fixed assets	-	-	7,709	7,709
Budget surplus on LA funds	208,776	8,868	-	217,644
LGPS pension (deficit)	-	(38,750)	-	(38,750)
	<u>208,776</u>	<u>(29,882)</u>	<u>390,743</u>	<u>569,637</u>
Net assets/(liabilities)	<u>208,776</u>	<u>(29,882)</u>	<u>390,743</u>	<u>569,637</u>

The above net assets include £208,776 were transferred as cash.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

GODOLPHIN PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	358,197	358,197
- Other tangible fixed assets	-	-	1,800	1,800
Budget (deficit) on LA funds	(4,946)	11,121	-	6,175
LGPS pension (deficit)	-	(77,500)	-	(77,500)
	<u>(4,946)</u>	<u>(66,379)</u>	<u>359,997</u>	<u>288,672</u>

The above net assets include a cash deficit of £4,946.

HALWIN SCHOOL - Joined 01 June 201

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	405,669	405,669
- Other tangible fixed assets	-	-	12,866	12,866
Budget surplus on LA funds	77,195	7,868	-	85,063
LGPS pension (deficit)	-	(77,500)	-	(77,500)
	<u>77,195</u>	<u>(69,632)</u>	<u>418,535</u>	<u>426,098</u>

The above net assets include £77,195 that were transferred as cash.

HELSTON COMMUNITY COLLEGE - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	14,999,589	14,999,589
- Other tangible fixed assets	-	-	118,748	118,748
Budget surplus on LA funds	403,639	78,155	-	481,794
LGPS pension (deficit)	-	(1,821,250)	-	(1,821,250)
	<u>403,639</u>	<u>(1,743,095)</u>	<u>15,118,337</u>	<u>13,778,881</u>

The above net assets include £403,639 that were transferred as cash.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

LANDEWEDNACK CP SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	537,601	537,601
- Other tangible fixed assets	-	-	6,978	6,978
Budget surplus on LA funds	48,487	10,353	4,558	63,398
LGPS pension (deficit)	-	(77,500)	-	(77,500)
	<u>48,487</u>	<u>(67,147)</u>	<u>549,137</u>	<u>530,477</u>
Net assets/(liabilities)	<u>48,487</u>	<u>(67,147)</u>	<u>549,137</u>	<u>530,477</u>

The above net assets include £48,487 that were transferred as cash.

MULLION COMMUNITY PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,414,369	1,414,369
- Other tangible fixed assets	-	-	13,800	13,800
Budget (deficit) on LA funds	(9,385)	20,191	10,311	21,117
LGPS pension (deficit)	-	(77,500)	-	(77,500)
	<u>(9,385)</u>	<u>(57,309)</u>	<u>1,438,480</u>	<u>1,371,786</u>
Net assets/(liabilities)	<u>(9,385)</u>	<u>(57,309)</u>	<u>1,438,480</u>	<u>1,371,786</u>

The above net assets include a cash deficit of £9,385.

MULLION SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	4,611,275	4,611,275
- Other tangible fixed assets	-	-	30,461	30,461
Budget (deficit) on LA funds	(88,264)	35,743	3,829	(48,692)
LGPS pension (deficit)	-	(620,000)	-	(620,000)
	<u>(88,264)</u>	<u>(584,257)</u>	<u>4,645,565</u>	<u>3,973,044</u>
Net assets/(liabilities)	<u>(88,264)</u>	<u>(584,257)</u>	<u>4,645,565</u>	<u>3,973,044</u>

The above net assets include a cash deficit of £88,264.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

PARC EGLOS SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,393,811	2,393,811
- Other tangible fixed assets	-	-	21,439	21,439
Budget surplus on LA funds	41,816	84,178	9,265	135,259
LGPS pension (deficit)	-	(387,500)	-	(387,500)
	<u>41,816</u>	<u>(303,322)</u>	<u>2,424,515</u>	<u>2,163,009</u>

The above net assets include £41,816 that were transferred as cash.

PORTHLEVEN PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,324,432	2,324,432
- Other tangible fixed assets	-	-	30,051	30,051
Budget surplus on LA funds	88,548	31,703	26,069	146,320
LGPS pension (deficit)	-	(193,750)	-	(193,750)
	<u>88,548</u>	<u>(162,047)</u>	<u>2,380,552</u>	<u>2,307,053</u>

The above net assets include £88,548 that were transferred as cash.

SITHNEY COMMUNITY PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	333,065	333,065
- Other tangible fixed assets	-	-	5,976	5,976
Budget surplus on LA funds	78,452	10,436	-	88,888
LGPS pension (deficit)	-	(193,750)	-	(193,750)
	<u>78,452</u>	<u>(183,314)</u>	<u>339,041</u>	<u>234,179</u>

The above net assets include £78,452 that were transferred as cash.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

TRANNACK COMMUNITY PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	468,986	468,986
- Other tangible fixed assets	-	-	1,716	1,716
Budget surplus on LA funds	33,061	10,459	13,747	57,267
LGPS pension (deficit)	-	(77,500)	-	(77,500)
	<u>33,061</u>	<u>(67,041)</u>	<u>484,449</u>	<u>450,469</u>
Net assets/(liabilities)	<u>33,061</u>	<u>(67,041)</u>	<u>484,449</u>	<u>450,469</u>

The above net assets include £33,061 that were transferred as cash.

WENDRON CHURCH OF ENGLAND PRIMARY SCHOOL - Joined 01 June 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Other tangible fixed assets	-	-	8,178	8,178
Budget surplus on LA funds	57,175	9,509	-	66,684
LGPS pension (deficit)	-	(116,250)	-	(116,250)
	<u>57,175</u>	<u>(106,741)</u>	<u>8,178</u>	<u>(41,388)</u>
Net assets/(liabilities)	<u>57,175</u>	<u>(106,741)</u>	<u>8,178</u>	<u>(41,388)</u>

The above net assets include £57,175 that were transferred as cash.

24. CAPITAL COMMITMENTS

At the year end the Academy Trust was committed to capital works with total costs of £255,303. However, the Academy Trust is only expected to contribute £25,530 towards these costs, with the remainder being met by Cornwall Council.

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

25. PENSION COMMITMENTS

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

As described in note 23 the LGPS obligation relates to the employees of the academy 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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2017.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

25. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £319,106.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £214,000, of which employer's contributions totalled £165,000 and employees' contributions totalled £49,000. The agreed contribution rates for future years are 17.8% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2017
Discount rate for scheme liabilities	2.50 %
Rate of increase in salaries	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %

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

	2017
Retiring today	
Males	22.1
Females	24.5
Retiring in 20 years	
Males	24.0
Females	26.4

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £
Equities	2,612
Bonds	2,390
Property	389
Cash	167
	<hr/>
Total market value of assets	5,558 <hr/> <hr/>

The actual return on scheme assets was £36,000.

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

	2017 £
Current service cost	(331,000)
Past service cost	(13,462)
Interest income	36,000
Interest cost	(62,000)
	<hr/>
Total	(370,462) <hr/> <hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £
Upon conversion	9,108,000
Current service cost	331,000
Interest cost	62,000
Employee contributions	49,000
Actuarial losses	242,000
	<hr/>
Closing defined benefit obligation	9,792,000 <hr/> <hr/>

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

	2017 £
Upon conversion	5,233,000
Interest income	36,000
Actuarial losses	75,000
Employer contributions	165,000
Employee contributions	49,000
	<hr/>
Closing fair value of scheme assets	5,558,000 <hr/> <hr/>

**SOUTHERLY POINT CO-OPERATIVE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

26. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £
AMOUNTS PAYABLE:	
Within 1 year	54,682
Between 1 and 5 years	67,297
After more than 5 years	33,500
Total	<u>155,479</u>

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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the period £1,000 of purchases were made from Synergic Learning, a company at which the spouse of Mr B Dye is in employment.

During the period, Mrs L Horne was employed as the school business manager at Helston Community College, her spouse Mr A Horne is a trustee.

29. CONTROLLING PARTY

The Academy Trust is controlled by the Members. There is no individual controlling party.