

Company Registration Number: 08842867 (England)

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**



**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Members	Darren Humphries (resigned 19 May 2017) Laetitia Mayne Helen Ward Maire Warwick (appointed 19 May 2017)
Trustees	Matthew Shirley, Chief Executive Officer ^{1,2,3} Darren Humphries (resigned 14 March 2017) ^{1,3} Laetitia Mayne, Vice Chair ² Helen Ward, Chair ² Julian Elliott ^{1,3} Benjamin Towe (resigned 1 July 2017) ^{1,2,3} Bryan Maywood (appointed 16 November 2016) ² Kathy Hocking (appointed 16 November 2016) ² Vanessa Channings (appointed 1 July 2017, resigned 4 July 2017) ¹ Staffing and Finance ² School Improvement ³ Audit Committee
Company registered number	08842867
Company name	The Duchy Academy Trust
Principal and registered office	24 Saltash Road Callington Cornwall PL17 7EF
Company secretary	Debbie Stoneman
Accounting officer	Matthew Shirley
Senior management team	Matthew Shirley, Chief Executive Officer Louise Barrington, Principal Business Manager Hannah Johnston, Leader of Special Educational Needs and Disabilities Hayley Young, Leader of Teaching and Learning Siân Dart, Leader of Teaching and Learning
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank 13 Broad Street Launceston Devon PL15 8AG

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Solicitors	Browne Jacobson LLP Manor Ccourt 1 Dix's Field Exeter Devon EX1 1UP
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**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 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 3 primary academies in Cornwall. Its academies have a combined pupil capacity of 596 and had a roll of 527 in the school census on 19 January 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy 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.

The Trustees of The Duchy Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Duchy Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the academy trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the academy. The limit of this indemnity is £1,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy's Board of Trustees comprises the Headteacher, a minimum of two Parent Trustees, up to three Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 10 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to ten Trustees who are appointed by members.
- up to two Parent Trustees who are elected by Parents of registered pupils at the Academy.
- up to three staff Trustees appointed by Trustee board.
- the CEO who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteachers or Chief Executive Officer. 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's development.

**THE DUCHY ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees as follows:

- **Staffing and Finance Committee** - this meets at least termly and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer/ internal audit and drafting the annual budget including setting staffing levels.
- **Audit Committee** - this reviews the risks to internal financial control at the Trust and agrees a programme of work to address these risks.
- **Standards and Attainment Committee** - this meets at least termly to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint Headteachers in each academy and Clerk to the Trustees, to approve the annual Academy Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Chief Executive Officer and Senior Management Team (SMT). The SMT comprises a Chief Executive Officer, Leaders of Teaching and Learning and the Principal Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance. Each academy also has a Senior Leadership Team in place.

The Trust has a leadership structure which consists of the Trustees, The Senior Management Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Academy Trust comprises three primary schools – Boyton, Callington and Lewannick Primary School. Each school has its own Governing Body responsible for day to day operations and management of the school's budget. The Trust Board comprises of Directors elected from the Governing Body of each school and others based on a skills audit.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

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

Connected Organisations, including Related Party Relationships

The Trust has a related party connection to the Principal of the academy, Launceston College and the Principal of the academy, Callington Community College.

There are no other related parties which either control or significantly influence the decisions and operations of The Duchy Academy Trust. There are no sponsors associated with the Trust. Callington Primary School Parents and Staff Association (registered charity number 1076374) and Friends of Lewannick School (registered charity number 1104378) are registered charities and are associated with the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the 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 for pupils of different abilities, with a strong emphasis on children guiding their own learning.

The aims of the Trust during the period ended 31 August 2017 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra-curricular activities;
- to develop students as more effective learners;
- to enhance the tertiary provision and outcomes;
- to develop the Trust sites so that they enable students to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure and continual review;
- to provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems;
- to maintain close links with industry and commerce;
- to develop the Trust's capacity to manage change, and;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and transparency

At The Duchy Academy Trust we aspire to improve children's lives through the provision of high quality education. This will be achieved by supporting the open, transparent and rigorous monitoring of teaching and learning; sharing expertise within The Duchy Academy Trust is of paramount importance. Our Trust is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan. Improvement focuses identified for this year include:

- to improve the percentage of pupils on track in writing in the year 5 cohorts;
- to improve the academy Key Stage 2 score;
- to improve the quality of writing across the whole school in all schools;
- to improve the subject knowledge of teaching and teaching assistants;
- to improve the quality of writing of pupils with SEND across the academy.
- to enrich the educational opportunities of pupils across the academy using the individual strengths and traditions of each school;
- to improve wellbeing of staff and pupils across the academy by disseminating best practice from each school and seeking appropriate external advice.

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

- to improve sporting opportunities for pupils by using best practice across the schools, including external provision. To improve the cross school competitive opportunities
- to improve governance across the academy by disseminating best practice, utilising expertise and streamlining procedures.

Key activities and targets were identified in the Academy Trust's 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 status. The activities included the following:

- review of numeracy, literacy and ICT capability;
- review of staffing levels in the light of budgetary pressure;
- further development of the intranet to support administration and communication;
- development and embedding of key financial and administrative procedures arising from conversion;
- continued development of systems for tracking and monitoring pupil attainment, and;
- range of activities to promote community adhesion and support of other charities activities

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's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The Key Stage 2 results at the end of the 2017 academic year for all 3 schools are as follows:

Pupils on track	Boyton	Callington	Lewannick	Total Percentage	National Percentage
KS2 Reading	3/3	34/47	8/17	67%	71%
KS2 Writing	3/3	38/47	16/17	85%	76%
KS2 GPS	3/3	41/47	16/17	90%	77%
KS2 Maths	3/3	39/47	16/17	87%	75%
KS2 Reading, Writing and Maths	3/3	34/47	8/17	67%	61%

The Academy has managed to maintain small class sizes, with each year group having its own class, with the exception for Boyton and Lewannick which have mixed years. All classes have a teaching assistant, which is a valuable addition to the classroom.

A number of parent/carers volunteers have been helping across the schools this year. Their commitment to the children and Academies is inspirational. They have helped with fundraising, reading, writing, maths and trips out of school.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations and work scrutiny which are undertaken by the Senior Leadership Team.

Senior staff from all schools worked collaboratively to draft the Academy Development Plan.

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

Senior staff from all schools drew up a school improvement timetable. This increased the number of joint staff meetings, staff from all three schools meet in groups where pupils are of a similar age. Meetings enable staff to discuss what constitutes good and outstanding classroom practice, what good and outstanding practice look like in pupils' work and to appropriately assess pupils' writing in order to improve it.

During the two INSET days planned at the beginning of the Autumn term, staff will be provided with training on teaching and learning expectations and tier 2 Safeguarding.

A lead Special Educational Needs and Disabilities Co-ordinator works across all three academy schools.

Safeguarding expectations have increased since the introduction of the new Ofsted inspection framework. This area is high profile across the schools and improvements have been achieved by shared policy documents, academy teachers have taken part in meetings such as 'Child Sexual Exploitation' and 'Prevent'. A governor at one of the schools has carried out an audit of safeguarding practices across all three schools.

The Administration team works seamlessly to ensure management of the trust's financial and human resource processes and procedures. The team meet regularly led by a Principal Business Manager.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £42,224 was carried forward.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 547, in 2017 this decreased to 527. However, it is anticipated that these numbers will be sustained.

Another key performance indicator is staffing costs as a percentage of total income (excluding amounts transferred in on conversion and restricted fixed asset funds). For 2016, this was 76%, in 2017, this is 77%.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy 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.

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 year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE, which are 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 year ended 31 August 2017, total expenditure of £3,007,601 (excluding depreciation) was covered by recurrent grant funding from the DfE, together with other incoming resources (excluding restricted fixed assets) of £2,791,951.

At 31 August 2017 the net book value of fixed assets was £5,003,144, and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The 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 21 to the financial statements.

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

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Chief Executive Officer, Headteachers, Head of School, Principal Business Manager, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The Trustees review the reserve levels of the Academy 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 Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have set a target level of free reserves of £150,000 and as at 31 August 2017 held free reserves amounting to £187,850.

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, or direct impact on the free reserves of the academy Trust.

Investment Policy

Investments must be made only in accordance with written procedures approved by the Board of Directors. The Trustees are committed to ensuring that funds under their control are administered to maximise return whilst minimising risk.

The Trust ensures management of the cash flow to make sure there are sufficient funds in the bank account to cover operational costs.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Trust are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the last year 95% of the Academy's incoming resources (excluding amounts transferred in on conversion) were ultimately Government funded and 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 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.

Reputational

The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Trust is reliant 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 DUCHY ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Fraud and mismanagement of funds

The Trust has appointed Bishop Fleming, the external auditor, 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.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the 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 all Board and Staffing and Finance Committee meetings.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide good education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

We plan to maintain small class sizes with a teaching assistant in each class which will reflect in academic outcomes being improved.

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.

**THE DUCHY ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 29 November 2017 and signed on the board's behalf by:



Helen Ward
Chair of Trustees



Matthew Shirley
Chief Executive Officer

**THE DUCHY ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Duchy 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 The Duchy 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Shirley, Chief Executive Officer	4	4
Darren Humphries	2	3
Laetitia Mayne, Vice Chair	4	4
Helen Ward, Chair	4	4
Julian Elliott	4	4
Benjamin Towe	4	4
Bryan Maywood	4	4
Kathy Hocking	2	4
Vanessa Channings	1	1

The **Staffing and Finance** is a sub committee of the main Board of Trustees. Its purpose is to:

Purpose

To scrutinise the decision making of the Accounting Officer, plus the Senior Management Team (SMT), acting as critical friends, to ensure that best practice and value for money are fully considered when spending the funds of the Trust.

Staffing Responsibilities

1. To work with the schools at a strategic level, giving guidance and make recommendations on matters relating to staff:
 - a. Appointments of staff on the leadership spine, teachers and senior administration staff. Appointment of other staff is delegated to Local Governing Bodies as far as these are viable within the limits of their school budget;
 - b. Staff wellbeing, including a review of workloads, work life balance, working conditions, absence management and support mechanisms;
 - c. Equalities, access and fairness;
 - d. Appraisals and performance management, ensuring fairness and consistency for all staff, and in line with the latest DfE guidance;
 - e. Training and development;
 - f. Promotion;
 - g. Pay and conditions, ensuring these are commensurate with national policy and reflect local needs and circumstances;
 - h. To monitor and receive absence reports;
 - i. Disciplinary matters, grievances and complaints;
 - j. Termination of employment, including succession planning for known retirements, redundancy and resignations;
 - k. Appeals.

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GOVERNANCE STATEMENT (continued)

2. To undertake relevant training, for example safeguarding and safer recruitment vetting, so as to partake fully in The Duchy Academy Trust activities and interview panels.
3. To ensure The Duchy Academy Trust has up to date, relevant and compliant HR policies in place and to review these regularly.
4. To provide regular reports to the Board regarding personnel matters, drawing matters of merit and concern to their attention.
5. To receive reports from the Board's other committees to ensure continuity and consistency, and to make recommendations to them regarding the Duchy Academy Trust's personnel needs.
6. To forward plan with the head teachers of the schools all personnel needs, including staffing structures, ensuring minimum disruption to teaching and support and providing strong business continuity.
7. To ensure realistic budget requirements for all personnel matters.
8. To utilise data from performance management, exit interviews, equalities reviews and other surveys to ensure continuing improvements in standards at Duchy Academy Trust.
9. To form separate panels relating to appeals, hearings and reviews, ensuring membership is compliant with policy requirements.

Finance Responsibilities

1. To ensure sound monitoring and scrutiny of The Duchy Academy Trust's finances and resources.
2. To give guidance to officers and make recommendations so as to constantly improve the management of The Duchy Academy Trust's resources and ensure legal compliance.
3. To safeguard the assets and investments of The Duchy Academy Trust and its respective educational establishments.
4. To receive a termly budget report from the PFO/PBM.
5. To monitor monthly expenditure, and make reports to the Board, drawing matters of merit and concern to their attention.
6. To aid forward planning of financial resources, whilst considering The Duchy Academy Trust's indicative funding as notified annually by the DfE, and whilst monitoring student intake numbers, curriculum and staffing costs and capital expenditure requirements, and to formulate and keep a three year budget plan.
7. To approve all transfers between budget headings to a limit of £29,999 on the recommendation of the CEO and in accordance with the Finance Policy.
8. To authorise the allocation of all orders and contracts between £30,000 and £100,000.
9. To follow the Trust's Finance Policy in regards to tendering.
10. To review any subsidiary trading companies, joint ventures, letting and leasing arrangements.
11. To receive the Auditors report and make recommendations to the Board.
12. To appoint The Duchy Academy Trust Auditors each year.
13. To ensure all areas of insurance are adequately covered annually and assist with asset registers if required.
14. To follow EFA guidelines in applying for grants.
15. To ensure financial compliance. To investigate and report on any financial irregularities, including whistleblowing in very serious cases.
16. To secure the attendance or advice of external, professional advisers as and when required.
17. To work within an agreed framework for procurement, so as to ensure quality, fairness and consistency.
18. To consider and recommend acceptance / non acceptance of the Duchy Academy Trust's budget at the start of each financial year and as appropriate. This will form part of the annual report to the Board and for filing in accordance with the Companies Act and the Charity Commission.
19. To ensure provision of free school meals for all eligible students.
20. To review the charging and remissions policy from time to time.
21. In accordance with the Academies Financial Handbook, to choose the most appropriate way to manage a programme of risk review and check financial controls. This could be the appointment of an internal audit service, asking external auditors to carry out supplementary work, appointing a non-employed trustee etc.

Meetings

The Staffing and Finance committee meet at least termly. The Chair and Vice Chair will be elected annually.

Quorum

The Committee will require a quorum of three members, who should include the Committee Chair or Vice Chair. It should be noted that any staffing matters which could result in an appeal, should be considered by a maximum of three, with the CEO in an advisory capacity.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Darren Humphries	2	4
Julian Elliott	5	5
Helen Ward	5	5
Matthew Shirley	4	4
Benjamin Towe	4	4

The **Audit Committee** is a sub-committee of the main Board of Trustees.

Purpose

Its purpose is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework, reporting its findings annually to the Trustees and the Accounting Officer as a critical element of the Academy Trust's annual reporting requirements.

Meetings

The Staffing and Finance committee meet at least termly. The Chair and Vice Chair will be elected annually.

Quorum

The committee will require a quorum of three members, who should include the Committee Chair or Vice Chair. The CEO can attend in an advisory capacity.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Darren Humphries	0	1
Matthew Shirley	1	1
Helen Ward	1	1
Benjamin Towe	1	1
Julian Elliott	1	1

The **Standards and Attainment Committee** is also a sub-committee of the main Board of Trustees.

Purpose

The committee shall oversee the academic performance of all academies within The Duchy Academy Trust.

Responsibilities

1. Report termly on the educational performance and progress of The Duchy Academy Trust to the Board.
2. Ensure recommendations from the committee are implemented in the Academies in the Trust.
3. Hold the Headteachers and staff to account for the performance of the Academies in the Trust through regular monitoring; to receive termly progress reports from Local Governing Bodies and monitor and address issues as appropriate.
4. Ensure there is a strategic vision for continuous school improvement based upon effective school self evaluation.
5. Set targets for improvement and measure the performance of the school against the national and local context.
6. Ensure improvements in curriculum development provide a broad and balanced learning experience.
7. Identify best practice in the Academies, which can be shared across the Trust.
8. Utilise best practice from other academies or multi academy Trusts to support high quality professional development within The Duchy Academy Trust.

Meetings

The committee will meet at least termly; an agenda and minutes will be provided for all meetings.

The Chair and Vice Chair will be appointed annually by the Trust Board.

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Members of Local Governing Boards, the Leaders of Teaching and Learning, and staff members of the academies can be invited to attend meetings.

Quorum

The Committee will require a quorum of three members, who should include the Committee Chair or Vice Chair.

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:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Allocating/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Challenging proposals and examining their effectiveness and efficiency.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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 The Duchy Academy Trust for the year 1 September 2016 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 year 1 September 2016 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 Staffing and Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a semi-annual basis, the auditors report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The auditors have delivered their schedule of work as planned and there were no material control issues arising as a result of the work.

REVIEW OF EFFECTIVENESS

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

- the work of the external 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 audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 29 November 2017 and signed on their behalf, by:



Helen Ward
Chair of Trustees



Matthew Shirley
Accounting Officer

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Duchy 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.


Matthew Shirley
Accounting Officer

Date: 29 November 2017

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees (who act as 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:

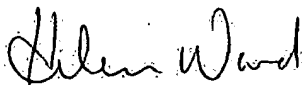
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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:



**Helen Ward
Chair of Trustees**

Date: 29 November 2017

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
DUCHY ACADEMY TRUST**

OPINION

We have audited the financial statements of The Duchy Academy Trust (the 'academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy 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's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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'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 other information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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.

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
DUCHY ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy 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 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP

Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN
11 December 2017

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE DUCHY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 October 2017 and further to the requirements of the Education Funding Agency (EFA) 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 The Duchy Academy Trust during the year 1 September 2016 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 The Duchy Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Duchy Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Duchy Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DUCHY ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of The Duchy Academy Trust's funding agreement with the Secretary of State for Education dated 29 January 2014, and the Academies Financial Handbook extant from 1 September 2015, 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 year 1 September 2016 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 EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE DUCHY
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 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.



Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

11 December 2017

THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	661	22,412	307,666	330,739	70,937
Charitable activities	3	191,300	2,547,337	-	2,738,637	2,633,074
Other trading activities	4	29,951	-	-	29,951	18,025
Investments	5	290	-	-	290	517
TOTAL INCOME		222,202	2,569,749	307,666	3,099,617	2,722,553
EXPENDITURE ON:						
Raising funds		7,590	-	-	7,590	4,384
Charitable activities		237,184	2,762,827	220,602	3,220,613	2,890,525
TOTAL EXPENDITURE	6	244,774	2,762,827	220,602	3,228,203	2,894,909
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	(22,572)	(193,078)	87,064	(128,586)	(172,356)
		15,451	(15,451)	-	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(7,121)	(208,529)	87,064	(128,586)	(172,356)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	176,000	-	176,000	(420,000)
NET MOVEMENT IN FUNDS		(7,121)	(32,529)	87,064	47,414	(592,356)
RECONCILIATION OF FUNDS:						
Total funds brought forward		194,971	(743,684)	5,023,139	4,474,426	5,066,782
TOTAL FUNDS CARRIED FORWARD		187,850	(776,213)	5,110,203	4,521,840	4,474,426

THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08842867

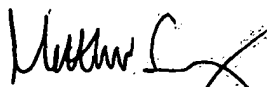
BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		5,003,144		5,013,216
CURRENT ASSETS					
Stocks		14,083		8,702	
Debtors	15	243,908		73,474	
Cash at bank and in hand		410,565		436,819	
		<u>668,556</u>		<u>518,995</u>	
CREDITORS: amounts falling due within one year	16	<u>(299,860)</u>		<u>(186,785)</u>	
NET CURRENT ASSETS			<u>368,696</u>		<u>332,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,371,840</u>		<u>5,345,426</u>
Defined benefit pension scheme liability	22		<u>(850,000)</u>		<u>(871,000)</u>
NET ASSETS			<u><u>4,521,840</u></u>		<u><u>4,474,426</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	73,787		127,316	
Fixed asset funds	18	5,110,203		5,023,139	
Restricted funds excluding pension liability		<u>5,183,990</u>		<u>5,150,455</u>	
Pension reserve		<u>(850,000)</u>		<u>(871,000)</u>	
Total restricted funds			<u>4,333,990</u>		<u>4,279,455</u>
Unrestricted funds	18		<u>187,850</u>		<u>194,971</u>
TOTAL FUNDS			<u><u>4,521,840</u></u>		<u><u>4,474,426</u></u>

The financial statements on pages 22 to 45 were approved by the Trustees, and authorised for issue, on 29 November 2017 and are signed on their behalf, by:



Helen Ward
Chair of Trustees



Matthew Shirley
Accounting Officer

The notes on pages 25 to 45 form part of these financial statements.

THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(123,680)	41,815
Cash flows from investing activities:			
Interest received		290	517
Purchase of tangible fixed assets		(210,530)	(81,429)
Capital grants from DfE/ESFA		307,666	18,149
Capital funding received from sponsors and others		-	22,000
Net cash provided by/(used in) Investing activities		97,426	(40,763)
Change in cash and cash equivalents in the year		(26,254)	1,052
Cash and cash equivalents brought forward		436,819	435,767
Cash and cash equivalents carried forward	21	410,565	436,819

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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.

The Duchy 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 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

1.3 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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.

Investment income, gains and losses are allocated to the appropriate fund.

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the academy 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 incorporating income and expenditure account 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 incorporating income and expenditure account 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 grants are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.5 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 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's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT..

**THE DUCHY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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:

Long-term leasehold property.	-	2% straight line - buildings, 125 years straight line - land
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% 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 incorporating income and expenditure account.

On conversion the academy/academy trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

1.7 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy'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 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**THE DUCHY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.8 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 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.

1.9 TAXATION

The academy 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 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.

1.10 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 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 22, 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 incorporating income and expenditure account 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.11 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 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 22, 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 lease. The classification of such leases as operating or finance lease 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.

1.12 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.13 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

THE DUCHY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	661	13,412	289,229	303,302	52,788
Capital Grants	-	-	18,437	18,437	18,149
Grants	-	9,000	-	9,000	-
	<u>661</u>	<u>22,412</u>	<u>307,666</u>	<u>330,739</u>	<u>70,937</u>
<i>Total 2016</i>	<u>1,164</u>	<u>32,399</u>	<u>37,374</u>	<u>70,937</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	94,021	2,547,337	2,641,358	2,533,122
Nursery	97,279	-	97,279	99,952
	<u>191,300</u>	<u>2,547,337</u>	<u>2,738,637</u>	<u>2,633,074</u>
<i>Total 2016</i>	<u>203,882</u>	<u>2,429,192</u>	<u>2,633,074</u>	

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	2,194,849	2,194,849	2,090,367
Other DfE/ESFA grants	-	301,758	301,758	305,364
	-	2,496,607	2,496,607	2,395,731
Other Government grants				
High Needs	-	37,191	37,191	31,861
Other Government grants	-	13,539	13,539	1,600
	-	50,730	50,730	33,461
Other funding				
Internal catering income	45,945	-	45,945	45,391
Income for hosting trainee teachers	14,825	-	14,825	16,467
Sales to students	5,027	-	5,027	5,387
Other	28,224	-	28,224	36,685
	94,021	-	94,021	103,930
	94,021	2,547,337	2,641,358	2,533,122
Total 2016	103,930	2,429,192	2,533,122	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	2,570	-	2,570	5,301
Consultancy	5,155	-	5,155	-
Fees received	12,245	-	12,245	10,195
Other	9,981	-	9,981	2,529
	29,951	-	29,951	18,025
Total 2016	18,025	-	18,025	

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

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	290	-	290	517
<i>Total 2016</i>	517	-	517	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	7,590	7,590	4,384
Education:					
Direct costs	1,858,922	170,521	229,821	2,259,264	2,019,838
Support costs	439,208	205,279	215,086	859,573	778,943
Nursery:					
Direct costs	66,817	8,975	12,090	87,882	78,461
Support costs	-	10,574	3,320	13,894	13,283
	2,364,947	395,349	467,907	3,228,203	2,894,909
<i>Total 2016</i>	2,129,331	372,865	392,713	2,894,909	

7. DIRECT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	11,000	-	11,000	9,000
Educational supplies	147,663	7,772	155,435	125,576
Staff development	3,915	206	4,121	4,909
Other costs	48,142	2,534	50,676	48,575
Technology costs	19,101	1,005	20,106	16,013
Wages and salaries	1,437,949	56,458	1,494,407	1,391,398
National insurance	117,136	1,192	118,328	89,722
Pension cost	303,837	9,740	313,577	254,255
Depreciation	170,521	8,975	179,496	158,851
	2,259,264	87,882	2,347,146	2,098,299
<i>Total 2016</i>	2,019,838	78,461	2,098,299	

THE DUCHY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. SUPPORT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	8,000	-	8,000	6,000
Staff development	11,373	599	11,972	16,189
Other costs	43,370	2,283	45,653	29,174
Recruitment and support	2,759	-	2,759	4,155
Maintenance of premises and equipment	63,302	3,332	66,634	69,801
Cleaning	15,976	841	16,817	18,607
Rent and rates	18,979	999	19,978	13,476
Energy costs	30,327	1,596	31,923	32,633
Insurance	33,272	1,751	35,023	47,314
Security and transport	4,372	-	4,372	5,441
Catering	71,474	-	71,474	67,594
Technology costs	8,330	438	8,768	6,277
Office overheads	19,892	-	19,892	17,925
Legal and professional	30,475	-	30,475	28,666
Bank interest and charges	430	-	430	128
Educational consultancy	5,560	-	5,560	475
Governance	13,996	-	13,996	17,741
Wages and salaries	311,205	-	311,205	309,653
National insurance	14,283	-	14,283	18,274
Pension cost	113,147	-	113,147	66,029
Depreciation	39,051	2,055	41,106	16,674
	<u>859,573</u>	<u>13,894</u>	<u>873,467</u>	<u>792,226</u>
Total 2016	778,943	13,283	792,226	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	220,602	175,525
Auditors' remuneration - audit	8,625	8,100
Auditors' remuneration - other services	4,515	7,600
Operating lease rentals	<u>5,887</u>	<u>5,830</u>

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

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,805,612	1,638,360
Social security costs	132,611	107,996
Operating costs of defined benefit pension schemes	426,724	320,284
	<u>2,364,947</u>	<u>2,066,640</u>
Apprenticeship levy	-	62,691
	<u>2,364,947</u>	<u>2,129,331</u>

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

	2017 No.	2016 No.
Teachers	28	28
Admin and support	76	73
Management	3	3
	<u>107</u>	<u>104</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	25	25
Admin and support	42	38
Management	3	3
	<u>70</u>	<u>66</u>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	1

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £270,408 (2016: £261,372).

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

11. CENTRAL SERVICES

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

- Business and finance
- School improvement support and management

The Trust charges for these services on the following basis:

Pupil numbers (amounting to ESG income per school).

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Boyton Primary School	17,364	4,340
Callington Primary School	72,156	31,799
Lewannick Primary School	24,399	9,831
Total	<u>113,919</u>	<u>45,970</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration (2016: £NIL).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year, no Trustees received any reimbursement of expenses (2016: £NIL).

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: M Shirley: Remuneration £70,000 - £75,000 (2016: £70,000 - £75,000), Employers pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000). B Towe: Remuneration £45,000 - £50,000 (2016: £45,000 - £50,000), Employers pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000).

Other related party transactions involving the trustees are set out in Note 24.

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 £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £942 (2016: £942).

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	5,087,053	29,055	104,568	184,616	5,405,292
Additions	9,294	-	178,349	22,887	210,530
At 31 August 2017	5,096,347	29,055	282,917	207,503	5,615,822
DEPRECIATION					
At 1 September 2016	221,497	7,803	46,605	116,171	392,076
Charge for the year	87,847	7,004	56,583	69,168	220,602
At 31 August 2017	309,344	14,807	103,188	185,339	612,678
NET BOOK VALUE					
At 31 August 2017	4,787,003	14,248	179,729	22,164	5,003,144
At 31 August 2016	4,865,556	21,252	57,963	68,445	5,013,216

15. DEBTORS

	2017 £	2016 £
Trade debtors	268	256
VAT recoverable	25,036	15,208
Other debtors	853	853
Prepayments and accrued income	217,751	57,157
	<u>243,908</u>	<u>73,474</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	76,114	45,659
Other taxation and social security	32,801	30,148
Other creditors	35,334	32,923
Accruals and deferred income	155,611	78,055
	<u>299,860</u>	<u>186,785</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	41,680	44,624
Resources deferred during the year	42,318	41,680
Amounts released from previous years	(41,680)	(44,624)
Deferred income at 31 August 2017	<u>42,318</u>	<u>41,680</u>

At the balance sheet date the Academy was holding funds received in respect of Universal Infant Free School Meal funding, an allocation for the 2017/18 academic year.

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>633,208</u>	<u>487,463</u>
Financial liabilities measured at amortised cost	<u>257,542</u>	<u>145,105</u>

Financial assets measured at amortised cost comprise of cash, trade debtors, other debtors and accrued income.

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

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General Funds - all funds	<u>194,971</u>	<u>222,202</u>	<u>(244,774)</u>	<u>15,451</u>	<u>-</u>	<u>187,850</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	103,806	2,201,984	(2,263,566)	-	-	42,224
Pupil Premium	-	195,735	(195,735)	-	-	-
Higher Needs	-	37,191	(37,191)	-	-	-
PE and Sports	-	26,345	(27,742)	1,397	-	-
Primary Grant	23,510	-	-	(16,848)	-	6,662
Donations	-	1,048	-	-	-	1,048
Educational Trips	-	12,364	(11,050)	-	-	1,314
Other	-	95,082	(72,543)	-	-	22,539
Pension reserve	(871,000)	-	(155,000)	-	176,000	(850,000)
	<u>(743,684)</u>	<u>2,569,749</u>	<u>(2,762,827)</u>	<u>(15,451)</u>	<u>176,000</u>	<u>(776,213)</u>

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

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	4,877,541	-	(129,477)	-	-	4,748,064
DFC transferred on conversion	8,399	-	(175)	-	-	8,224
Assets purchased from GAG and other restricted funds	72,408	-	(50,998)	-	-	21,410
Capital Improvement Fund (CIF)	-	289,229	(24,731)	-	-	264,498
Devolved formula capital (DFC)	38,441	18,437	(9,771)	-	-	47,107
Other capital grants	26,350	-	(5,450)	-	-	20,900
	<u>5,023,139</u>	<u>307,666</u>	<u>(220,602)</u>	<u>-</u>	<u>-</u>	<u>5,110,203</u>
Total restricted funds	<u>4,279,455</u>	<u>2,877,415</u>	<u>(2,983,429)</u>	<u>(15,451)</u>	<u>176,000</u>	<u>4,333,990</u>
Total of funds	<u>4,474,426</u>	<u>3,099,617</u>	<u>(3,228,203)</u>	<u>-</u>	<u>176,000</u>	<u>4,521,840</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General Funds	195,441	223,588	(204,350)	(19,708)	-	194,971
	<u>195,441</u>	<u>223,588</u>	<u>(204,350)</u>	<u>(19,708)</u>	<u>-</u>	<u>194,971</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	106,279	2,090,367	(2,058,350)	(34,490)	-	103,806
Pupil Premium	2,360	201,304	(196,274)	(7,390)	-	-
Higher Needs	-	31,861	(31,861)	-	-	-
PE and Sports	-	26,210	(26,210)	-	-	-
Primary Grant	48,000	-	(24,490)	-	-	23,510
Donations	-	19,639	(19,639)	-	-	-
Educational Trips	-	9,985	(9,985)	-	-	-
Other	-	82,225	(82,225)	-	-	-
Pension reserve	(385,000)	-	(66,000)	-	(420,000)	(871,000)
	<u>(228,361)</u>	<u>2,461,591</u>	<u>(2,515,034)</u>	<u>(41,880)</u>	<u>(420,000)</u>	<u>(743,684)</u>

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

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	5,007,098	-	(129,557)	-	-	4,877,541
DFC transferred on conversion	8,574	-	(175)	-	-	8,399
Assets purchased from GAG and other restricted funds	42,311	-	(31,491)	61,588	-	72,408
Devolved formula capital (DFC)	31,919	15,374	(8,852)	-	-	38,441
Other capital grants	9,800	22,000	(5,450)	-	-	26,350
	<u>5,099,702</u>	<u>37,374</u>	<u>(175,525)</u>	<u>61,588</u>	<u>-</u>	<u>5,023,139</u>
Total restricted funds	<u>4,871,341</u>	<u>2,498,965</u>	<u>(2,690,559)</u>	<u>19,708</u>	<u>(420,000)</u>	<u>4,279,455</u>
Total of funds	<u>5,066,782</u>	<u>2,722,553</u>	<u>(2,894,909)</u>	<u>-</u>	<u>(420,000)</u>	<u>4,474,426</u>

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

Restricted Funds

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

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

Donations - This represents general donations to be used for the normal running of the Academy, including education and support costs.

Pupil Premium - Represents funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Start up Grant - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

PE and Sports Grant - Funding received from the ESFA to make additional and sustainable improvements to the quality of PE and sport we offer.

Primary Grant - Primary Academy Chain Development Grant received to support primary schools to realise the benefits of forming strong primary academy chains.

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

Fixed Asset Funds

Fixed Assets Transferred on Conversion - This represent the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

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18. STATEMENT OF FUNDS (continued)

Devolved Formula Capital on conversion – This represents the income due from the Local Authority on conversion to an Academy to fund capital projects.

Fixed Assets Purchased from DfE/ESFA funding - This represents funds transferred from the restricted funds to purchase fixed assets.

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Other capital grants – This represents restricted income received from various sources to fund capital projects.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Boyton Primary School	115,300	108,179
Callington Primary School	92,747	101,644
Lewannick Primary School	33,376	99,392
Central Services	20,214	13,072
Total before fixed asset fund and pension reserve	261,637	322,287
Restricted fixed asset fund	5,110,203	5,023,139
Pension reserve	(850,000)	(871,000)
Total	4,521,840	4,474,426

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Boyton Primary School	164,098	98,899	33,205	69,265	365,467	357,920
Callington Primary School	828,534	593,475	119,091	195,669	1,736,769	1,631,256
Lewannick Primary School	290,812	193,321	60,259	98,606	642,998	582,793
Central services	-	70,561	6,125	30,381	107,067	81,415
	1,283,444	956,256	218,680	393,921	2,852,301	2,653,384

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NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	5,003,144	5,003,144
Current assets	172,399	288,377	207,780	668,556
Creditors due within one year	-	(199,139)	(100,721)	(299,860)
Pension scheme liability	-	(850,000)	-	(850,000)
Difference	15,451	(15,451)	-	-
	<u>187,850</u>	<u>(776,213)</u>	<u>5,110,203</u>	<u>4,521,840</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	5,013,216	5,013,216
Current assets	194,971	314,101	9,923	518,995
Creditors due within one year	-	(186,785)	-	(186,785)
Provisions for liabilities and charges	-	(871,000)	-	(871,000)
	<u>194,971</u>	<u>(743,684)</u>	<u>5,023,139</u>	<u>4,474,426</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(128,586)	(172,356)
Adjustment for:		
Depreciation charges	220,602	175,525
Interest received	(290)	(517)
Increase in stocks	(5,381)	(2,412)
(Increase)/decrease in debtors	(170,434)	63,861
Increase/(decrease) in creditors	113,075	(48,137)
Capital grants from DfE and other capital income	(307,666)	(40,149)
Defined benefit pension scheme cost less contributions payable	136,000	51,000
Defined benefit pension scheme finance cost	19,000	15,000
Net cash (used in)/provided by operating activities	<u>(123,680)</u>	<u>41,815</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	410,565	436,819
	<u>410,565</u>	<u>436,819</u>

22. PENSION COMMITMENTS

The academy'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.

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 year.

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 dependant on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (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%.

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22. PENSION COMMITMENTS (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £160,561 (2016: £153,411).

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 year ended 31 August 2017 was £161,011 (2016: £155,000), of which employer's contributions totalled £121,607 (2016: £119,000) and employees' contributions totalled £39,404 (2016: £36,000). The agreed contribution rates for future years are 19.4% for employers and 5.5 to 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	2.40 %	2.10 %
Rate of increase in salaries	2.50 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.30 %

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

	2017	2016
Retiring today		
Males	22.1 years	22.2 years
Females	24.5 years	24.4 years
Retiring in 20 years		
Males	24.0 years	24.4 years
Females	26.4 years	26.8 years

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	489,000	411,000
Debt instruments	447,000	360,000
Cash	31,000	26,000
Property	73,000	60,000
Total market value of assets	<u>1,040,000</u>	<u>857,000</u>

The actual return on scheme assets was £20,000 (2016: £27,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(267,000)	(170,000)
Interest income	20,000	27,000
Interest cost	(39,000)	(42,000)
Total	<u>(286,000)</u>	<u>(185,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,727,000	1,012,000
Current service cost	267,000	170,000
Interest cost	39,000	42,000
Employee contributions	39,000	36,000
Actuarial (gains)/losses	(179,000)	467,000
Benefits paid	(3,000)	-
Closing defined benefit obligation	<u>1,890,000</u>	<u>1,727,000</u>

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22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	856,000	600,000
Upon conversion	-	27,000
Return on plan assets (excluding net interest on the net defined pension liability)	20,000	27,000
Actuarial gains/(losses)	(3,000)	47,000
Employer contributions	131,000	119,000
Employee contributions	39,000	36,000
Benefits paid	(3,000)	-
Closing fair value of scheme assets.	<u>1,040,000</u>	<u>856,000</u>

23. 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 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	2,069	4,237
Between 1 and 5 years	2,699	4,849
Total	<u>4,768</u>	<u>9,086</u>

24. RELATED PARTY TRANSACTIONS

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

During the period, sales of £Nil (2016: £4,000) and purchases of £650 (2016: £2,338) were made from Launceston College. Jack Jackson, ex trustee, is the head teacher and Bryan Maywood, Trustee, is a director at Launceston College. Purchases of £2,260 (2016: £4,665) were made from Callington Community College. Andrew Hunt, ex Trustee and Kathy Hocking, Trustee, are directors at Callington Community College. Income of £Nil (2016: £2,286) was received from Harrowbarrow School. John McKenzie and Andrew Hunt, ex Trustees, are both Trustees of Harrowbarrow School.

25. MEMBERS' LIABILITY

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