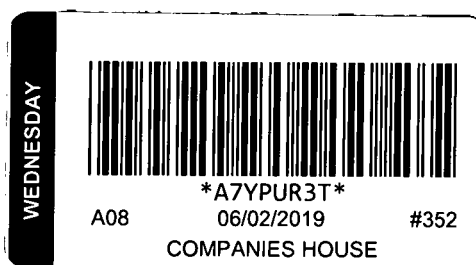


**THE DUCHY ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



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

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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<b>Members</b>	Laetitia Mayne Helen Ward Maire Warwick
<b>Trustees</b>	Matthew Shirley, Chief Executive Officer <sup>1,2</sup> Laetitia Mayne, Chair <sup>2</sup> Helen Ward, Vice Chair <sup>2</sup> Julian Elliott <sup>1,3</sup> Bryan Maywood <sup>2</sup> Kathy Hocking <sup>2</sup> Michael Elliott (appointed 21 November 2017)  <sup>1</sup> Staffing and Finance <sup>2</sup> School Improvement <sup>3</sup> Audit Committee
<b>Company registered number</b>	08842867
<b>Company name</b>	The Duchy Academy Trust
<b>Principal and registered office</b>	24 Saltash Road Callington Cornwall PL17 7EF
<b>Company secretary</b>	Debbie Stoneman
<b>Accounting officer</b>	Matthew Shirley
<b>Senior management team</b>	Matthew Shirley, Chief Executive Officer Louise Barrington, Principal Business Manager Hannah Johnston, Leader of Special Educational Needs and Disabilities Hayley Wood, Leader of Teaching and Learning Siân Dart, Leader of Teaching and Learning
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
<b>Bankers</b>	Lloyds Bank 13 Broad Street Launceston Cornwall PL15 8AG

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

<b>Solicitors</b>	Browne Jacobson LLP Manor Court 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 2018**

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

The Trust operates 3 primary academies in Cornwall. It's academies have a combined pupil capacity of 596 and had a roll of 562 in the school census on 19 October 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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 2018 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 Trust.
- to enrich the educational opportunities of pupils across the Trust using the individual strengths and traditions of each school;
- to improve wellbeing of staff and pupils across the Trust by disseminating best practice from each school and seeking appropriate external advice.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**STRATEGIC REPORT**

**Achievements and Performance**

Subject	Boyton	Callington	Lewannick	Total Percentage	National Percentage
KS2 Reading	3/3	33/51	14/17	70%	75%
KS2 Writing	3/3	35/51	14/17	73%	70%
KS2 Maths	3/3	37/51	14/17	76%	76%

The Trust 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 schools within the Trust is inspirational. They have helped with fundraising, reading, writing, maths and trips out of school.

To ensure that standards are continually assessed, the Trust 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 Trust's Development Plan.

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.

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



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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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, £NIL was carried forward.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 527, in 2018 this increased to 562 (including nursery). 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 2017, this was 77%, in 2018, this is 82%.

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

Most of the 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 2018 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 Trust's accounting policies.

During the year ended 31 August 2018, total expenditure of £3,115,500 (excluding depreciation) was covered by recurrent grant funding from the DfE, together with other incoming resources (excluding restricted fixed assets) of £2,780,904.

At 31 August 2018 the net book value of fixed assets was £5,092,825 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.

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.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and 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 2018 held free reserves amounting to £12,728. The Trustees are continuing to monitor the level of reserves and are actively seeking to increase this to the preferred level.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the 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 Trust.

**Investment Policy**

Investments must be made only in accordance with written procedures approved by the Board of Trustees. 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 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 94% of the Trust'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  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 22 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 Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**AUDITORS**

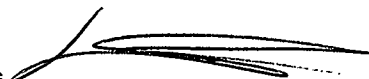
In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 19 November 2018 and signed on the board's behalf by:

**Laetitia Mayne**  
Chair of Trustees



**Matthew Shirley**  
Chief Executive Officer



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

**GOVERNANCE STATEMENT**

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**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
Laetitia Mayne, Chair	4	4
Helen Ward, Vice Chair	4	4
Julian Elliott	4	4
Bryan Maywood	2	4
Kathy Hocking	1	4
Michael Elliott	2	3

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.
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.

**GOVERNANCE STATEMENT (continued)**

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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 The 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 of Trustees, 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 ESFA 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 of Trustees 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.

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

**GOVERNANCE STATEMENT (continued)**

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**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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Shirley, Chief Executive Officer	4	4
Julian Elliott	4	4
Helen Ward	3	4
Michael Elliott	3	3

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

**Purpose**

Its purpose is to maintain an oversight of the 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 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
Matthew Shirley, Chief Executive Officer	1	1
Helen Ward, Vice Chair	1	1
Julian Elliott	1	1
Michael 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 schools 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 schools within the Trust 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.

**GOVERNANCE STATEMENT (continued)**

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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.

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 Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- 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 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and 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.
- 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 reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

On a semi-annual basis, the external 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 Trust who have responsibility for the development and maintenance of the internal control framework.

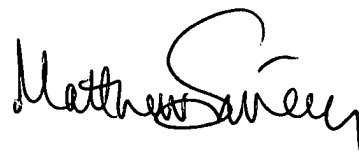
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 19 November 2018 and signed on their behalf, by:

**Laetitia Mayne**  
**Chair of Trustees**



**Matthew Shirley**  
**Accounting Officer**



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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Duchy Academy Trust I have considered my responsibility to notify the Trust's Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

  
Matthew Shirley

Accounting Officer

19/11/2018

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

Laetitia Mayne  
Chair of Trustees



Date: 19 November 2018

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

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**OPINION**

We have audited the financial statements of The Duchy Academy Trust (the 'Trust') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our 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.

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

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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

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

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**USE OF OUR REPORT**

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

*Bishop Fleming LLP*

Nathan Coughlin FCA (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  
Date: 6 December 2018

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE DUCHY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 10 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Duchy Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

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

*Bishop Fleming LLP*

Nathan Coughlin FCA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

Date: *6 December 2018.*



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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	23,049	37,742	144,812	205,603	330,739
Charitable activities	3	227,466	2,466,022	-	2,693,488	2,738,637
Other trading activities	4	26,307	-	-	26,307	29,951
Investments	5	318	-	-	318	290
<b>TOTAL INCOME</b>		<b>277,140</b>	<b>2,503,764</b>	<b>144,812</b>	<b>2,925,716</b>	<b>3,099,617</b>
<b>EXPENDITURE ON:</b>						
Raising funds		7,250	-	-	7,250	7,590
Charitable activities		202,784	2,905,466	254,912	3,363,162	3,220,613
<b>TOTAL EXPENDITURE</b>	6	<b>210,034</b>	<b>2,905,466</b>	<b>254,912</b>	<b>3,370,412</b>	<b>3,228,203</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	67,106 (242,228)	(401,702) 145,688	(110,100) 96,540	(444,696) -	(128,586) -
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(175,122)	(256,014)	(13,560)	(444,696)	(128,586)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	272,000	-	272,000	176,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(175,122)</b>	<b>15,986</b>	<b>(13,560)</b>	<b>(172,696)</b>	<b>47,414</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		187,850	(776,213)	5,110,203	4,521,840	4,474,426
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>12,728</b>	<b>(760,227)</b>	<b>5,096,643</b>	<b>4,349,144</b>	<b>4,521,840</b>

The notes on pages 26 to 47 form part of these financial statements.

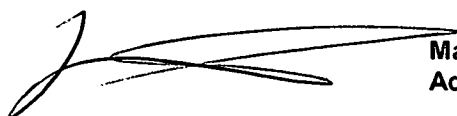
**THE DUCHY ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 08842867**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		5,092,825		5,003,143
<b>CURRENT ASSETS</b>					
Stocks		4,267		14,083	
Debtors	15	108,382		243,908	
Cash at bank and in hand		140,301		410,565	
		<u>252,950</u>		<u>668,556</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(226,631)		(299,859)	
<b>NET CURRENT ASSETS</b>			26,319		368,697
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,119,144		5,371,840
Defined benefit pension scheme liability	22	(770,000)		(850,000)	
<b>NET ASSETS</b>			<u>4,349,144</u>		<u>4,521,840</u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	9,773		73,787	
Fixed asset funds	18	5,096,643		5,110,203	
Restricted funds excluding pension liability		<u>5,106,416</u>		<u>5,183,990</u>	
Pension reserve		(770,000)		(850,000)	
Total restricted funds			4,336,416		4,333,990
Unrestricted funds	18		12,728		187,850
<b>TOTAL FUNDS</b>			<u>4,349,144</u>		<u>4,521,840</u>

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue, on 19 November 2018 and are signed on their behalf, by:

Laetitia Mayne  
Chair of Trustees



Matthew Shirley  
Accounting Officer



The notes on pages 26 to 47 form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

	2018 ACCOUNTING POLICIES	2017
Note		£
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(70,801)	(123,680)
<b>Cash flows from investing activities</b>		
Interest received	318	290
Purchase of tangible fixed assets	(344,593)	(210,530)
Capital grants from DfE Group	144,812	307,666
<b>Net cash (used in)/provided by investing activities</b>	<b>(199,463)</b>	<b>97,426</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(270,264)</b>	<b>(26,254)</b>
Cash and cash equivalents brought forward	410,565	436,819
<b>Cash and cash equivalents carried forward</b>	<b>140,301</b>	<b>410,565</b>

The notes on pages 26 to 47 form part of these financial statements. The Trust's financial statements are prepared in accordance with the Financial Reporting Standard (FRS) 102, 'The Financial Reporting Standard for the Reporting Financial Statements of Companies', and the Companies Act 2006. The Trust's financial statements are prepared on a going concern basis. The Trust's financial statements are prepared on a going concern basis. The Trust's financial statements are prepared on a going concern basis.

FINANCIAL STATEMENTS

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees. Restricted funds are those resources which are held for specific purposes. Restricted general funds comprise all other restricted funds received by the Trust and are held for specific purposes. Restricted general funds comprise all other restricted funds received by the Trust and are held for specific purposes.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 2017 to 2018 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

**1.3 FUND ACCOUNTING**

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

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

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

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 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

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

Grants are included in the Statement of financial activities 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 Trust 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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS  
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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:

Leasehold property	-	2% straight line - buildings, 125 years straight line - land
Furniture and fixtures	-	20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 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 Trust's wholly owned subsidiary are held at face value less any impairment.

**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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.9 TAXATION**

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

**1.10 PENSIONS**

Retirement benefits to employees of the 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. 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.

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

**1.11 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.

**1.12 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.

**1.13 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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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



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**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	23,049	25,435	-	48,484	14,073
Capital Grants	-	-	144,812	144,812	307,666
Grants	-	12,307	-	12,307	9,000
	<u>23,049</u>	<u>37,742</u>	<u>144,812</u>	<u>205,603</u>	<u>330,739</u>
Total 2017	<u>661</u>	<u>22,412</u>	<u>307,666</u>	<u>330,739</u>	

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	79,767	2,466,022	2,545,789	2,641,358
Nursery	147,699	-	147,699	97,279
	<u>227,466</u>	<u>2,466,022</u>	<u>2,693,488</u>	<u>2,738,637</u>
Total 2017	<u>191,300</u>	<u>2,547,337</u>	<u>2,738,637</u>	

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**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	2,094,563	2,094,563	2,194,849
Other DfE/ESFA grants	-	312,741	312,741	301,758
	-	2,407,304	2,407,304	2,496,607
<b>Other Government grants</b>				
High Needs	-	50,405	50,405	37,191
Other Government grants	-	8,313	8,313	13,539
	-	58,718	58,718	50,730
<b>Other funding</b>				
Internal catering income	43,587	-	43,587	45,945
Income for hosting trainee teachers	1,558	-	1,558	14,825
Sales to students	6,160	-	6,160	5,027
Other	28,462	-	28,462	28,224
	79,767	-	79,767	94,021
	79,767	2,466,022	2,545,789	2,641,358
<i>Total 2017</i>	94,021	2,547,337	2,641,358	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	1,420	-	1,420	2,570
Consultancy	6,550	-	6,550	5,155
Fees received	13,558	-	13,558	12,245
Other	4,779	-	4,779	9,981
	26,307	-	26,307	29,951
<i>Total 2017</i>	29,951	-	29,951	

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**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	318	-	318	290
<i>Total 2017</i>	<u>290</u>	<u>-</u>	<u>290</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	-	-	7,250	7,250	7,590
Support costs	-	-	-	-	-
Education:					
Direct costs	1,891,196	201,186	235,934	2,328,316	2,259,264
Support costs	457,787	206,297	228,579	892,663	859,573
Nursery:					
Direct costs	104,697	10,589	11,682	126,968	87,882
Support costs	-	10,858	4,357	15,215	13,894
	<u>2,453,680</u>	<u>428,930</u>	<u>487,802</u>	<u>3,370,412</u>	<u>3,228,203</u>
<i>Total 2017</i>	<u>2,364,947</u>	<u>395,349</u>	<u>467,907</u>	<u>3,228,203</u>	

**7. DIRECT COSTS**

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension finance costs	14,000	-	14,000	11,000
Educational supplies	135,175	7,115	142,290	155,435
Staff development	3,792	200	3,992	4,121
Other costs	59,005	3,106	62,111	50,676
Technology costs	23,962	1,261	25,223	20,106
Wages and salaries	1,446,864	85,259	1,532,123	1,494,407
National insurance	117,079	4,812	121,891	118,328
Pension cost	327,253	14,626	341,879	313,577
Depreciation	201,186	10,589	211,775	179,496
	<u>2,328,316</u>	<u>126,968</u>	<u>2,455,284</u>	<u>2,347,146</u>
<i>Total 2017</i>	<u>2,259,264</u>	<u>87,882</u>	<u>2,347,146</u>	

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**8. SUPPORT COSTS**

	Education	Nursery	Total	Total
	£	£	2018	2017
			£	£
Pension finance costs	10,000	-	10,000	8,000
Staff development	15,245	802	16,047	11,972
Other costs	57,064	3,003	60,067	45,653
Recruitment and support	2,625	-	2,625	2,759
Maintenance of premises and equipment	50,758	2,672	53,430	66,634
Cleaning	13,652	719	14,371	16,817
Rent and rates	18,356	966	19,322	19,978
Energy costs	37,246	1,960	39,206	31,923
Insurance	41,573	2,188	43,761	35,023
Security and transport	3,732	196	3,928	4,372
Catering	63,582	-	63,582	71,474
Technology costs	10,485	552	11,037	8,768
Office overheads	23,331	-	23,331	19,892
Legal and professional	20,712	-	20,712	30,475
Bank interest and charges	478	-	478	430
Educational Consultancy	3,875	-	3,875	5,560
Governance	21,182	-	21,182	13,996
Wages and salaries	309,076	-	309,076	311,205
National insurance	15,339	-	15,339	14,283
Pension cost	133,372	-	133,372	113,147
Depreciation	40,980	2,157	43,137	41,106
	<b>892,663</b>	<b>15,215</b>	<b>907,878</b>	<b>873,467</b>
<i>Total 2017</i>	<i>859,573</i>	<i>13,894</i>	<i>873,467</i>	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	254,912	220,602
Auditors' remuneration - audit	8,650	8,625
Auditors' remuneration - other services	7,703	4,515
Operating lease rentals	6,919	5,887

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,841,199	1,805,612
Social security costs	137,230	132,611
Operating costs of defined benefit pension schemes	475,251	426,724
	<u>2,453,680</u>	<u>2,364,947</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	34	28
Admin and support	75	76
Management	2	3
	<u>111</u>	<u>107</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	27	25
Admin and support	43	42
Management	2	3
	<u>72</u>	<u>70</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

**d. Key management personnel**

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £313,465 (2017: £298,343).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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:

	2018	2017
	£	£
Boyton Primary School	18,305	17,364
Callington Primary School	77,820	72,156
Lewannick Primary School	23,936	24,399
Total	<u>120,061</u>	<u>113,919</u>

**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any remuneration (2017: £NIL).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year, no Trustees received any reimbursement of expenses (2017: £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 Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: M Shirley: Remuneration £80,000 - £85,000 (2017: £70,000 - £75,000), Employers pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000). B Towe: Remuneration £Nil (2017: £45,000 - £50,000), Employers pension contributions £Nil (2017: £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 Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £942 (2017: £942).

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**14. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>COST</b>				
At 1 September 2017	5,096,347	282,916	236,558	5,615,821
Additions	193,478	119,362	31,754	344,594
At 31 August 2018	5,289,825	402,278	268,312	5,960,415
<b>DEPRECIATION</b>				
At 1 September 2017	309,344	103,188	200,146	612,678
Charge for the year	126,543	80,456	47,913	254,912
At 31 August 2018	435,887	183,644	248,059	867,590
<b>NET BOOK VALUE</b>				
At 31 August 2018	4,853,938	218,634	20,253	5,092,825
At 31 August 2017	4,787,003	179,728	36,412	5,003,143

**15. DEBTORS**

	2018 £	2017 £
Trade debtors	184	268
VAT recoverable	32,839	25,036
Other debtors	853	853
Prepayments and accrued income	74,506	217,751
	<u>108,382</u>	<u>243,908</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	57,505	76,113
Other taxation and social security	33,719	32,801
Other creditors	36,490	35,334
Accruals and deferred income	98,917	155,611
	<u>226,631</u>	<u>299,859</u>

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

	2018 £	2017 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	42,318	41,680
Resources deferred during the year	30,225	42,318
Amounts released from previous years	(42,318)	(41,680)
Deferred income at 31 August 2018	<u>30,225</u>	<u>42,318</u>

At the balance sheet date the Trust was holding funds received in respect of Universal Infant Free School Meal funding, an allocation for the 2018/19 academic year.

**17. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at amortised cost	<u>248,683</u>	<u>633,208</u>
Financial liabilities measured at amortised cost	<u>226,631</u>	<u>257,542</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.



NOTES TO THE FINANCIAL STATEMENTS  
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NOTES TO THE FINANCIAL STATEMENTS  
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18. STATEMENT OF FUNDS

STATEMENT OF FUNDS (continued)

	Brought forward	Income	Expenditure	Transfers in/out	Gains/(Losses)	Carried forward
	£	£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>						
General funds	187,850	277,140	(210,034)	(242,228)	-	12,728
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	42,224	2,102,273	(2,290,185)	145,688	-	-
Pupil Premium	-	174,033	(174,033)	-	-	-
Higher Needs	-	50,405	(50,405)	-	-	-
Primary Grant	6,662	-	(6,662)	-	-	-
Donations	1,048	7,555	(8,603)	-	-	-
Educational Trips	1,314	17,881	(14,037)	-	-	5,158
Other	22,539	20,620	(38,544)	-	-	4,615
Universal Infant Free School Meals	-	78,407	(78,407)	-	-	-
PE and Sports	-	52,590	(52,590)	-	-	-
Pension reserve	(850,000)	-	(192,000)	-	272,000	(770,000)
	(776,213)	2,503,764	(2,905,466)	145,688	272,000	(760,227)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	4,748,064	-	(100,077)	-	-	4,647,987
DFC transferred on conversion	8,224	-	(175)	-	-	8,049
Assets purchased from GAG	21,410	-	(56,685)	158,646	-	123,371
Capital Improvement Fund (CIF)	264,498	126,556	(70,736)	(62,106)	-	258,212
Devolved formula capital (DFC)	47,107	18,256	(21,788)	-	-	43,575
Other capital grants	20,900	-	(5,451)	-	-	15,449
	5,110,203	144,812	(254,912)	96,540	-	5,096,643
<b>Total restricted funds</b>	<b>4,333,990</b>	<b>2,648,576</b>	<b>(3,160,378)</b>	<b>242,228</b>	<b>272,000</b>	<b>4,336,416</b>
<b>Total of funds</b>	<b>4,521,840</b>	<b>2,925,716</b>	<b>(3,370,412)</b>	<b>-</b>	<b>272,000</b>	<b>4,349,144</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**18. STATEMENT OF FUNDS (continued)**

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 Trust, including education and support costs.

Higher 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 Trust, 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.

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 Trust'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 Trust.

**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.

Devolved Formula Capital on conversion – This represents the income due from the Local Authority on conversion to an Academy Trust 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 Trust'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 Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**18. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Boyton Primary School	22,501	115,300
Callington Primary School	-	92,747
Lewannick Primary School	-	33,376
Central Services	-	20,214
Total before fixed asset fund and pension reserve	22,501	261,637
Restricted fixed asset fund	5,096,643	5,110,203
Pension reserve	(770,000)	(850,000)
Total	4,349,144	4,521,840

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciat- ion £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Boyton Primary School	237,496	58,695	48,695	67,280	412,166	365,467
Callington Primary School	1,186,762	236,506	126,928	193,054	1,743,250	1,736,769
Lewannick Primary School	398,815	91,800	56,589	95,938	643,142	642,998
Central services	-	75,606	1,134	47,932	124,672	107,067
	1,823,073	462,607	233,346	404,204	2,923,230	2,852,301

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**18. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	194,971	222,202	(244,774)	15,451	-	187,850
<b>RESTRICTED FUNDS</b>						
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>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
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>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	5,092,825	5,092,825
Current assets	102,416	146,716	3,818	252,950
Creditors due within one year	(89,688)	(136,943)	-	(226,631)
Pension scheme liability	-	(770,000)	-	(770,000)
	<u>12,728</u>	<u>(760,227)</u>	<u>5,096,643</u>	<u>4,349,144</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	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	187,850	272,926	207,780	668,556
Creditors due within one year	-	(199,139)	(100,721)	(299,860)
Provisions for liabilities and charges	-	(850,000)	-	(850,000)
	<u>187,850</u>	<u>(776,213)</u>	<u>5,110,203</u>	<u>4,521,840</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(444,696)	(128,586)
<b>Adjustment for:</b>		
Depreciation charges	254,912	220,602
Interest received	(318)	(290)
Decrease/(increase) in stocks	9,816	(5,381)
Decrease/(increase) in debtors	135,526	(170,434)
(Decrease)/increase in creditors	(73,229)	113,075
Capital grants from DfE and other capital income	(144,812)	(307,666)
Defined benefit pension scheme cost less contributions payable	168,000	136,000
Defined benefit pension scheme finance cost	24,000	19,000
<b>Net cash used in operating activities</b>	<u>(70,801)</u>	<u>(123,680)</u>

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**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	140,301	410,565
	<u>140,301</u>	<u>410,565</u>

**22. PENSION COMMITMENTS**

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

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

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

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

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**22. PENSION COMMITMENTS (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £165,504 (2017: £160,561).

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](http://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 an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**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 2018 was £172,586 (2017: £161,011), of which employer's contributions totalled £129,830 (2017: £121,607) and employees' contributions totalled £42,756 (2017: £39,404). The agreed contribution rates for future years are 19.4% for employers and 5.5 to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Expected return on scheme assets at 31 August	2.30 %	2.40 %
Rate of increase in salaries	2.40 %	2.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1 years
Females	24.5	24.5 years
Retiring in 20 years		
Males	24	24.0 years
Females	26.4	26.4 years

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**22. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2018 £</b>	<i>Fair value at 31 August 2017 £</i>
Equities	<b>629,000</b>	489,000
Debt instruments	<b>552,000</b>	447,000
Cash	<b>90,000</b>	31,000
Property	<b>13,000</b>	73,000
Total market value of assets	<b><u>1,284,000</u></b>	<u>1,040,000</u>

The actual return on scheme assets was £33,000 (2017: £20,000).

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

	<b>2018 £</b>	<i>2017 £</i>
Current service cost	<b>(312,000)</b>	(267,000)
Interest income	<b>28,000</b>	20,000
Interest cost	<b>(52,000)</b>	(39,000)
Total	<b><u>(336,000)</u></b>	<u>(286,000)</u>

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

	<b>2018 £</b>	<i>2017 £</i>
Opening defined benefit obligation	<b>1,890,000</b>	1,727,000
Current service cost	<b>312,000</b>	267,000
Interest cost	<b>52,000</b>	39,000
Employee contributions	<b>42,000</b>	39,000
Actuarial gains	<b>(239,000)</b>	(179,000)
Benefits paid	<b>(3,000)</b>	(3,000)
Closing defined benefit obligation	<b><u>2,054,000</u></b>	<u>1,890,000</u>



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**22. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	1,040,000	856,000
Return on plan assets (excluding net interest on the net defined pension liability)	28,000	20,000
Actuarial gains/(losses)	33,000	(3,000)
Employer contributions	144,000	131,000
Employee contributions	42,000	39,000
Benefits paid	(3,000)	(3,000)
	<u>1,284,000</u>	<u>1,040,000</u>
Closing fair value of scheme assets	<u>1,284,000</u>	<u>1,040,000</u>

**23. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	3,133	2,069
Between 1 and 5 years	4,399	2,699
Total	<u>7,532</u>	<u>4,768</u>

**24. RELATED PARTY TRANSACTIONS**

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the period, sales of £2,000 (2017: £Nil) and purchases of £650 (2017: £650) were made from Launceston College. Bryan Maywood, Trustee, is a director at Launceston College. Purchases of £4,643 (2017: £2,260) were made from Callington Community College. Kathy Hocking, Trustee, is a director at Callington Community College.

**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.