

Company Registration Number: 08150106 (England & Wales)

LAUNCESTON COLLEGE
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



LAUNCESTON COLLEGE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 20
Governance statement	21 - 27
Statement on regularity, propriety and compliance	28
Statement of Trustees' responsibilities	29
Independent auditors' report on the financial statements	30 - 33
Independent reporting accountant's report on regularity	34 - 35
Statement of financial activities incorporating income and expenditure account	36 - 37
Balance sheet	38 - 39
Statement of cash flows	40
Notes to the financial statements	41 - 74

LAUNCESTON COLLEGE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Webb L Kennedy R White (resigned 19 January 2021) D Rogerson W Morris (appointed 19 January 2021)
Trustees	C Penfold, Chief Executive E Marshall, Chair of Trustees D Humphries, Vice Chair P Crispin A Shopland G Sanders F Wojnarowska B Mitchell (appointed 1 June 2021)
Company registered number	08150106
Principal and registered office	Launceston College, Hurdon Road, Launceston, Cornwall, PL15 9JR
Company secretary	T Broad (resigned 1 November 2021) J Duthie (appointed 1 November 2021)
Accounting officer	C Penfold
Senior management team	C Penfold, Executive Principal J Burn, Principal - Launceston C Ankers, Principal - Bideford K Harrison, Principal - Altarnun T Broad, Finance Director (resigned 1 November 2021) E Kerr, Principal - Egloskerry L Slater, Principal - Atlantic J Duthie, Deputy Business Manager (appointed 1 November 2021)
Independent auditors	Griffin Chartered Accountants Silverdown Office Park Exeter Airport Business Park Exeter EX5 2UX
Bankers	Natwest Green Street Truro Cornwall TR1 2LH

LAUNCESTON COLLEGE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors	Wolferstans 60 - 66 North Hill Plymouth PL4 8EP
-------------------	--

LAUNCESTON COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates 2 primary and 3 secondary academies in Cornwall and Devon. Its academies have a combined pupil capacity of 4,106 and had a roll of 2,991 in the school census in October 2020.

Structure, governance and management

a. Constitution

The Multi Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Multi Academy Trust.

The Trustees of Launceston College are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Launceston College.

Details of the Trustees who served during the year, and to the date these accounts are approved and included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Multi Academy Trust's Board of Trustees comprises the Chief Executive Officer (CEO), upto six Trustees, and a minimum of two parent Trustees which can be represented on each LGB.

Trustees are appointed via an election process. The total number of Trustees, including the CEO, who are employees of the MAT will not exceed one third of the total number of Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be reappointed 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 MAT's development..

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Structure, governance and management (continued)

d. Policies and Procedures Adopted for the Induction and Training of Trustees.

The MAT has a Governors' Handbook, which is issued to all Trustees and local Governors.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Trustees' development evening when the need arises (usually annually), which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

e. Organisational structure

The Board of Trustees meets at least three times per year and usually 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 currently two permanent committees reporting to the Board - the Finance and Assets Committee and the Audit and Risk Committee.

The Finance and Assets Committee meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting, regulatory requirements and reporting and drafting the annual budget including setting staffing levels. The Finance and Assets Committee also evaluates and reviews policy and performance in relation to the MAT's assets. The Audit and Risk Committee, receives reports from the internal and external audit and monitors the actions taken by the Trust managers in response to those findings.

Each secondary academy and the cluster of primary academies has a local governing body who meet once a term to monitor, evaluate and review policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues in their academy.

The responsibilities delegated by the MAT board are defined in the Scheme of Delegation of Authority and the Scheme of Delegation of Financial Authority.

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

The Board of Trustees have devolved responsibility for day to day management of the academies to the CEO, Finance Director and Academy Leadership Teams (ALT). ALT comprises the Principal and Assistant Principals. The ALT implement the policies laid down by the Trustees and report back to them on performance.

The CEO is the Accounting Officer.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Structure, governance and management (continued)

f. Arrangements for setting pay and remuneration of key management personnel

The Launceston College MAT follows School Teachers' Pay and Conditions to determine the pay for all teaching members of staff. The pay of non-teaching staff is determined using the pay grades set out in the MAT pay policy and reviewed using the pay and grading system set by Trustees. The CEO has the delegated authority for setting pay within the MAT and the MAT Board sets the pay for the CEO.

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
---	---	---

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Structure, governance and management (continued)

h. Engagement with employees (including disabled persons)

The Trust publishes its Equality Information Objectives and these underpin its policies and inform all employee communications. The recruitment and retention of employees is undertaken with diversity and equality of opportunity for disabled persons in mind and the MAT observe and implement the principles of equal opportunities in employment and adhere to all relevant legislation and guidelines.

The Trust carries out regular development activity with staff and this ensures that staff who manage the employment and recruitment processes have undertaken the required training. Within the staff performance development process, the Trust continues to ensure that the factors which are critical to the success of the Trust and the schools are outlined to staff.

Employees are regularly provided with policies and information on matters of concern to them through the shared staff online portal, which has been expanded and continues to be developed with additional resources. Consultation takes place with designated staff representatives when appropriate about key staff issues to ensure feedback is sought and staff views are considered. During this year this has included the approach to staff wellbeing and our wellbeing offer to staff, as well as policy updates.

The Trust CEO has also introduced a weekly newsletter as an all staff communication, and continues, along with the senior team and Principals, to regularly meet with designated staff representatives to discuss key decisions. Staff are signposted to key wellbeing issues and support and feedback on new initiatives such as a Cycle to Work scheme have been sought.

Full details of these policies are available from the Multi Academy Trust's offices.

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

Building and maintaining good business relationships is essential to the MAT. The MAT Code of Conduct applies to all staff, Governors and Trustees and requires all representatives of the MAT to operate in a manner that promotes positive and harmonious relationships as well as maintaining high standards of honesty and integrity.

The MAT focuses on developing good working relationships with its suppliers by having an open channel of communication with key budget holders, providing reasonable lead times and paying invoices as quickly as possible. The MAT also endeavours to use local suppliers where possible to support the community in which its students live, whilst ensuring that best value is still achieved.

Objectives and activities

a. Objects and aims

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

The Multi Academy Trust's aim is for young people to be happy, successful and responsible by learning the knowledge skills and values that are important for society.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives of the MAT are:

All academies are above average achievement and progress

- All academies within the Trust to achieve a Good Ofsted rating
- All academies should produce positive progress outcomes with clear progression routes for all pupils and students

Improve the quality of learning and teaching through

- Principled curriculum design
- CPD focused on the research evidence base of the practices that can improve learning and teacher effectiveness
- a strong emphasis on metacognitive strategies
- a literacy strategy underpinned by a trust wide literary canon
- robust QA

Develop and embed trust wide resources, systems and procedures

- Increase the efficiency of cross Trust support staff so that they service the schools within the Trust effectively
- Ensure sustainable and effective support staff roles are in place across the Trust

Develop primary capacity in the Launceston Area

- Development partnerships with strong primary MATs, Primary NLEs, and local primary schools
- Open the Launceston College Primary Campus in the new building

Develop governance capability across the MAT

- Regularly review the skills and expertise at Board level
- Put clear mechanisms in place for the MAT Board to engage with LGBs and for LGBs to learn from each other and share good practise,
- Develop a clear recruitment, induction and succession plan for Members, Trustees and local governors to give capacity to build governance in the future

Embed adventurous learning across the MAT

- Embed Year 7 residential experiences and develop them in Year 9
- Maximise the use of Batchelor's Hall

c. Public benefit

The Multi Academy Trust always strives to provide outstanding education and improve the levels of performance of its students at all levels. The Multi Academy Trust continues to aim to attract high quality teachers and support staff in order to deliver its objectives and advance for the public benefit education in our academies.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Strategic report

Achievements and performance

a. Key performance indicators

<u>Name</u>	<u>Ofsted Grading</u>	<u>Date</u>
Altarnun Primary School	Good	March 202
Atlantic Academy	None	Yet to be inspected
Bideford College	Requires Improvement	October 2018
Egloskerry Primary School	Good	February 2020
Launceston College	Good	March 2020

Examination results 2021 not available due to COVID-19.

b. Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment, the Trustees have considered the Trust's levels of free reserves, as well as current and forecast cashflows, taking into account the impact of Covid.

The Trust holds a good level of reserves and intends to use these strategically as required. The trust holds a four year plan therefore if there is an indication of a future deficit, the Board will make a plan to rectify this.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

c. Achievements and Performance

- Three of the five academies were inspected by Ofsted and all achieved a Good rating.
- We have opened Launceston Primary School on a temporary site after COVID related delays in the build of the new school.
- The three secondary schools' output were dependent on teacher assessment due to COVID-19 and so no progress scores are available.
- Destinations data for Key stage 4 students are above national averages.
- Destinations of Key stage 5 students are above national averages for securing places at Oxbridge, top third and Russell group universities.
- The Primary academies' output were dependent on teacher assessment due to COVID-19 and so no progress scores are available.

Improve the quality of learning and teaching

- All of the activities in this section were in progress or completed before the COVID -19 lockdown.

Develop and embed MAT wide resources, systems and procedures

- Efficiency is improving and steps are being taken to embed further improvements.
- Finance, estates and HR departments have been restructured to increase capacity.

Develop primary capacity in the Launceston Area

- Partnerships were developed with strong primary MATs, Primary NLEs, and local primary schools, a number of collaborations took place.
- Primary lead for standards was appointed to work across three primary schools.
- Extensive work was successfully completed to ensure that Launceston Primary School is on track to open in September 2021.

Develop governance capability across the MAT

- All aims in this section were completed and now built into our practice moving forward.

Embed adventurous learning across the MAT

- All activities completed in part only and not embedded as partially dependant on residential opportunities and trips and visits so that activities in this section were in progress but COVID -19 lockdown prevented further progress.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

d. Promoting the success of a company

The Trustees of the MAT act diligently and with due consideration to the long-term success and future sustainability of the MAT. The MAT operates a risk register to identify the risks to the future success of the MAT and each school in the Trust, which is updated at least annually and more often as circumstances require. Key decisions are considered alongside the 4-year financial plan which is updated regularly with the aim of ensuring that the Trust is sustainable in the long term.

The Trustees recognise that the MAT's employees are its most valuable asset and as such staff development is a key focus of the improvement plan. Staff wellbeing is of utmost importance, and Trustees are working with senior management to find ways to best support its employees, especially during these challenging times.

Building and maintaining good business relationships is essential to the MAT, as is maintaining a reputation of high standards of business conduct. The MAT Code of Conduct applies to all staff, Governors and Trustees and requires all representatives of the MAT to operate in a manner that promotes positive and harmonious relationships as well as maintaining high standards of honesty and integrity.

The impact of the MAT's operations on the community and the environment is considered and assessed via the Risk Register and regular reports to Trustees on each school's progress towards achieving the key factors and future targets of the 'Green Charter'. The Green Charter looks to raise awareness and engage stakeholders on issues around the climate emergency along with working to reduce each school's impact.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

e. Financial Performance Indicators

Using the school resources management self-assessment tool and the most up to date data on hand (October 20 census and 20/21 budget), the following lines have been RAG rated against other schools.

Key

Green = In line with other similar schools
Amber = Out of line with other schools (low or high)
Red = Considerably out of line with other schools (low or high)
APS = Altarnun Primary School
ATL = Atlantic Academy
BID = Bideford College
EGL = Egloskerry Primary School
LAU = Launceston College
Def = In year deficit budgeted

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

	APS	ATL	BID	EGL	LAU
Spend on teaching staff as a percentage of total expenditure		Low		High	
Spend on supply staff as a percentage of total expenditure					
Spend on education support staff as a percentage of total expenditure					
Spend on admin staff as a percentage of total expenditure					
Spend on other staff costs as a percentage of total expenditure					
Spend on premises as a percentage of total expenditure	High				
Spend on teaching resources as a percentage of total expenditure					
Spend on energy as a percentage of total expenditure	High	High	High		
Reserves – in year balance as a percentage of total income		*	Def	Def	Def
Average teacher cost					
Senior leaders as a percentage of workforce					
Pupil to teacher ratio					
Pupil to adult ratio				High	
Teacher contact ratio	High	Low			High
Average class size	Low		High		High

*ATL income includes a deficit grant.

The Finance and Assets Committee meet regularly to monitor current performance and expenditure against the current budgets. Temporary surplus funds are invested in the short term in a low risk instant-access account to maximise interest received. The MAT works closely with its accountants to ensure systems are robust and targets are met.

The key financial performance indicator for the MAT is the adherence to the financial budgets set at the beginning of the financial year and completion of the budget period overall on budget

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Strategic report (continued)

Financial review

a. Reserves policy

MAT reserves are reviewed annually – this normally being at the time of budget setting.

The policy of the MAT is to carry forward a prudent level of resources designated to meet the long-term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects.

Reserves are built up through close monitoring of the costs and income of the MAT and attempting to make cost savings on the budget throughout the financial year.

The Executive Principal/CEO or Finance Director can authorise movement to or from one or more specific reserves subject to the approval of the Finance and Assets Committee and in line with the MAT Scheme of Delegation.

The MAT considers at least £1,500,000 of free reserves to be an appropriate level, with no fixed maximum because this will be dependent on the upcoming needs of each Academy Trust.

The level of reserves at the year ended 31st August 2021 is in excess of £1,500,000 due to a number of reasons:

- Trustees are investing reserves heavily in staffing in 21/22 to try and reduce the impact of COVID. Trustees have allocated up to £650,000 of reserves for this purpose.
- Trustees have earmarked up to £420,000 from reserves towards a number of large capital projects, such as replacement windows, roofing, fencing and heating controls.
- To assist with the increase in expenditure expected over the next few years.

The level of free reserves held by the MAT at the year-end 31st August 2021 was £3,452,099. The level of restricted reserves held by the MAT at the year-end 31st August 2021 was £676,774 excluding Pension and Fixed Asset Funds.

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

b. Investment policy

All arrangements concerning the investment of funds shall be made upon consultation of the Finance and Assets Committee.

Trustees are committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk.

The management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSI Approval List included in the Financial Services Compensation Scheme (FSCS).

Trustees authorise the movement of any funds not required for operating expenses into an instant access savings account by the Executive Principal or Finance Director in order to maximise the interest received.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Trustees may consider the investment of these funds in order to generate a longer term income or capital fund. All arrangements concerning the investment of funds outside of the instant access savings account shall be made upon consultation of the Finance and Assets Committee and in accordance with the requirements of the Academies Financial Handbook.

The following criteria should be used in selecting an appropriate investment.

- What level of risk does the investment represent? The Trustees' approach to risk is cautious. Typical investments will include corporate bonds and fixed interest funds.
- The historical performance of the investment or fund.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

c. Principal risks and uncertainties

The principal risks and uncertainties facing the MAT are as follows:

Financial - the MAT has considerable reliance on continued Government funding through the ESFA. In the last year 98% of the MAT's incoming resources was 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. Recruitment of students to the MAT academies will also be a key focus.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the MAT'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.

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 Multi Academy Trust is reliant on 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.

Fraud and mismanagement of funds - The MAT has appointed an auditor to carry out internal checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Covid-19 - The operational effects of Covid-19 have been that all of the academies in the Trust have had to open in Covid secure bubbles to minimise transmission of the virus. This has led to additional expenditure not only on hand sanitiser and soap but also on heating costs and additional cleaning materials and staff. We have had to purchase or hire additional toilets, marquees and buildings in order to accommodate the bubbles. In all three of our secondary schools we have provided lateral flow testing and a summer school. In all of our schools we have used COVID catch up funding to provide additional tuition and small group work which has resulted in an increase in reading ages.

The MAT has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the MAT is exposed via the Risk Register, 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.

The Trustees examine the financial health formally at least six times per year, reviewing performance against budgets and overall expenditure by means of regular update reports at Full Board and Finance and Assets Committee meetings. At the year end, the MAT had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the MAT is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

The Board of Trustees has reviewed the major risks to which the MAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

d. Financial Review 2020/21

Most of the Trust's income is obtained from the Department for Education (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 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and these 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 economic life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2021, the Trust received total income of £18,871,913 (2020- £17,566,522) (excluding restricted fixed asset funds and pension reserve) and incurred total expenditure of £18,672,681 (2020- £17,111,764) (excluding fixed assets and pension reserve). As at 31 August the funds brought forward were £3,712,547 (2020 - £3,106,391) of unrestricted funds and £607,943 (2020 - £759,341) of restricted funds. The funds carried forward as unspent were £3,452,099 (2020 - £3,712,547) of unrestricted funds and £676,774 (2020 - £607,943) of restricted funds. Therefore, there was a deficit in the year of £191,617 (2020- surplus of £454,758), after contributing £390,849 to capital projects.

The Trust has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the Statement of Financial Activity with details in note 24 to the financial statements.

Fundraising

The Launceston College MAT undertook a small amount of fundraising in the year ended 31st August 2021, however Covid significantly reduced the amount of fundraising the MAT could do compared to a normal year.

Fundraising usually includes non-school uniform days and events from which funds are raised for both the MAT and for other charities. Fundraising events are often student-led with students raising funds for their chosen 'House Charity' and are on a small scale.

The MAT does not work with any commercial participants or external fundraisers, has not received any fundraising complaints and does not place undue pressure on any person to donate. Fundraising is monitored and to the best of our knowledge conforms to recognised standards. All fundraising undertaken during the year was monitored by the Trustees.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Streamlined energy and carbon reporting

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

Several boilers have been upgraded in the MAT to increase efficiency. All recent building related projects have had improved insulation fitted. A number of window upgrade projects have been carried out.

The Bideford College BMS boiler control system has been upgraded to improve efficiency.

The replacement roof project at Altarnun Primary School is also complete.

Future plans to improve energy efficiency

Large scale upgrades to LED lighting at Launceston and Bideford College are progressing slowly towards a tender stage. The current COVID situation has slowed progress on this project.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Streamlined energy and carbon reporting (continued)

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	
Energy consumption used to calculate emissions (kWh)	4264497.72
Energy consumption breakdown (kWh) (optional)	
Electric	1589262.31
Gas/LPG	2586226.80
Owned transport	68229.15
Business travel (Scope 3)	20779.46
Scope 1 emissions in metric tonnes CO₂e	
Gas consumption	474.32
Owned transport – mini-buses	17.00
Total scope 1	491.32
Scope 2 emissions in metric tonnes CO₂e	
Purchased electricity	337.45
Scope 3 emissions in metric tonnes CO₂e	
Business travel in employee owned vehicles	4.70
Leased Vehicle	0.44
Total scope 3	5.14
Total gross emissions in metric tonnes CO₂e	833.91
Intensity ratio	
Tonnes CO ₂ e per pupil (2991)	0.28

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Plans for future periods

A review of the 2020-21 performance against the key objectives was used to inform the key aims and objectives for 2021-22.

School Improvement

- To ensure that all schools in the Trust achieve good outcomes for all of our pupils and students by developing the curriculum, improving metacognition and further developing literacy. To ensure that our students and pupils who are currently less advantaged get the support they need to achieve at the highest level and have the opportunity to be socially mobile.

Governance and Accountability

- To further strengthen lines of communication between the School Improvement Monitoring Groups and the Trust board enabling an increase in the sharing of information and good practice across the Trust. To hold schools in the Trust to account more effectively for children and students; in receipt of the pupil premium grant and COVID recovery funds, with SEND needs, those who are most vulnerable and their Health and Safety.

People

- Respond to recruitment challenges to become an employer of choice, promoting staff wellbeing and an awareness of the benefits, opportunities and professional development available within the Trust, improving staff retention and attendance, ensuring the Trust workforce has the individuals and skills needed for its planned future development and are supported by strong systems, processes and procedures.

Finance

- Improve the efficiency of the Trust finance operations alongside high levels of customer service. Ensure the effective spending of all monies across the Trust including grant restricted funds, capital spend and recovery funding.

Growth

- We extend the capacity of our existing schools; Launceston, Atlantic and Bideford by a minimum of 5%, community growth of the three Primary schools and a Trust Partnership arrangement.

In the coming year we are operating a return curriculum to ensure that any gaps in pupils' knowledge have been filled.

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

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

Funds held as custodian on behalf of others

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Griffin, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on its behalf by:



P Crispin
Trustee

LAUNCESTON COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Launceston College 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Launceston College 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.

LAUNCESTON COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 5 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
C Penfold, Chief Executive	5	5
E Marshall, Chair of Trustees	4	5
D Humphries	5	5
P Crispin	4	5
A Shopland	5	5
G Sanders	5	5
F Wojnarowska	5	5
B Mitchell	1	1

During the year the composition of the Board of Trustees remained broadly consistent.

Governance reviews

- During the past 12 months the Board has been restricted in terms of the physical presence and checking that would normally take place. However, we have all adapted and found improved ways of achieving the same results. We have changed our focus to ensure that every student has an equal right to receive a level of education commensurate with their stage in education. From weekly reviews on the provision of IT in their own homes to attendance levels, particularly for those more vulnerable students.
- The Board has risen to the challenge of sharing paperwork and meeting online putting in place effective systems. The challenge of monitoring COVID risk assessments and the spend of additional monies such as summer school, free school meals funding, lateral flow testing and COVID catch up funding has at times led to weekly scrutiny of COVID related income and outgoings as the schools have risen to the rapid demands of the DfE.
- We have maintained a level of understanding and challenge which allows for the changing landscape of examination data and risk assessments. Whilst we have tweaked the focus, the aim is still to provide good data for scrutiny on a regular basis.
- During the past year we have spent a great deal of time addressing our vision and ethos going forward as a Board. We have encouraged Trustees and Governors to attend virtual training sessions to gain a better understanding of Trust mechanics elsewhere. Both the Chair and CEO have joined learning sets with other Trusts within the Westcountry, which are already providing challenges to our practices.
- We have increased our focus on the key areas of SEND, Pupil premium, safeguarding and health and safety and strengthened our local governing bodies.
- This process is now ongoing and not a stop/starts scenario. We have 1/2 whole Trust Governance training sessions per year to ensure that the learning is embedded and feedback given. The CEO has now engaged within a Peer to Peer learning set which will add quality to the process. One example of the impact is to retain the use of a project manager beyond the opening of the Primary School. This role has been the operational arm of the CEO, progressing joint initiatives raised from prior dialogue.
- The effect of Covid-19 on governance within the Trust has mainly been with regard to the lack of face to face meetings and monitoring. All Board meetings and LGB meetings have taken place remotely and business carried out in the usual way. LGB's have also been monitoring remotely. A Trust wide Governance Training event which was scheduled for July had to be postponed until later in the year. External training courses have been carried out remotely, which has, in some cases, been easier for Trustees and Governors to attend.

LAUNCESTON COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Purpose of the finance committee (or equivalent)

The Finance and Assets Committee is a sub-committee of the main Board of Trustees. Its current terms of reference are:

TERMS OF REFERENCE – MAT FINANCE AND ASSETS COMMITTEE

Membership

- 1 x Chair of the MAT Board
- 1 x Chief Executive Officer/Executive Principal
- 5 x Trustees

Members who are not MAT Board Trustees can attend meetings and will have voting rights as long as the majority of Committee members are Trustees.

Quorum

The quorum shall be three members.

The majority of voting Committee members at each meeting must be Trustees. Staff members cannot vote when undertaking Audit Committee matters.

Chair

The Committee shall appoint a Chair and Vice Chair in the autumn term of each year.

Meetings

The Committee shall meet at least six times per year.

Terms of reference

The Committee will be responsible for the following:

- Providing support for MAT staff and the MAT board on all matters relating to Academy premises, grounds, security and health and safety.
- Undertaking an annual Health and Safety review of each Academy with the support of nominated representatives from the Local Governing Body of that school to ensure that the Academy complies with health and safety regulations.
- Work with Academy staff to inspect the premises and grounds and prepare a statement of priorities for maintenance, redecoration and improvements.
- To approve tenders and arrangements for maintenance, redecoration and improvements within the constraints of the budget allocated for this purpose.
- To oversee the preparation of tenders and implementation of buildings and grounds contracts.
- To provide guidance and assistance in all matters relating to budgeting and finance.
- To prepare and review financial policy statements including consideration of long term planning and resourcing.
- To consider the annual management plan priorities and present an annual budget to the MAT Board for approval.
- To monitor the income and expenditure of all public funds and report the financial situation to the MAT board each term.
- To recommend the level of delegation for the day to day financial management of each Academy.
- To vire funds, if necessary, within the limits set by the MAT Board.
- To ensure the audit of non-public funds for presentation to the MAT Board.

LAUNCESTON COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- To receive and where appropriate respond to periodic audit reports of public funds.
- To review and recommend for adoption the procedures for dealing with discipline and grievance and ensure that staff are informed of them.
- To draft and review, in consultation with staff, criteria for redundancy for the approval of the MAT board.
- To draft criteria for the approval of the MAT board about the use of discretionary elements of pay provisions and make recommendations about implementing them.
- To establish the annual and longer term salary budgets and other costs relating to personnel.
- To review the staffing structure whenever a vacancy occurs within an Academy and at least annually in relation to each Academy's management plan.

The Audit and Risk Committee will operate with the following terms of reference:

Responsibilities

- To maintain an oversight of the MAT's financial, governance, risk management and internal control systems.
- To report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

Authority

- The Audit and Risk Committee is a Committee of the Multi Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- The Audit and Risk Committee is authorised to
 - request any information it requires from any employee, external audit, internal audit, or other assurance provider.
 - obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

Composition

- The membership of the committee will comprise a minimum of three trustees.
- Employees of the Trust should not be audit and risk committee members, but the Accounting Officer and chief financial officer should attend to provide information and participate in discussions.
- The chair of Trustees should not be chair of the audit and risk committee.
- Where the audit and risk committee is combined with another committee, employees should not participate as members when audit matters are discussed.
- Unless otherwise determined by the Board of Trustees, a quorum shall consist of three members of the committee.
- A least one member of the audit and risk committee should have recent or relevant accountancy, or audit assurance, experience.
- Any Trustee may attend a meeting of the audit and risk committee, including those who are not members of the audit and risk committee.

Reporting

The Audit and Risk Committee will:

- Report back to the Trust Board regularly every term.
- Provide an annual summary report provided by the internal scrutineer / auditor and areas reviewed by internal scrutiny / audit covering key findings, recommendations, and conclusions.

LAUNCESTON COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Coverage

The Audit and Risk Committee will:

- Advise the board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
 - the auditor's/srutineer's sector expertise
 - their understanding of the Trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor/srutineer comments and recommendations in relation to key areas
 - where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's/srutineer's use of technology
- Ensure there is coordination between internal audit/srutiny and external audit and any other review bodies that are relevant.
- Consider the reports of the auditors/srutineers and, when appropriate, advise the Trust Board of material control issues.
- Encourage a culture within the Trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees.
- Provide minutes of all Audit and Risk Committee meetings for review at board meetings.

External Audit

- Review the external auditor's plan each year.
- Review the annual report and accounts.
- Review the auditor's findings and actions taken by the Trust's leadership team in response to those findings.
- Produce an annual report of the committee's conclusions to advise the Board of Trustees and Members.

Internal Scrutiny

- Take delegated responsibility on behalf of the Board of Trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.
- Conduct a regular review of the risk register.
- Agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.
- Advise the Trustees on the adequacy and effectiveness of the Trust's systems of internal control, governance, and risk management processes.
- Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the Board on any additional or alternative steps to be taken.
- Oversee the annual review of the trust's risk register.

LAUNCESTON COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the CEO 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 available.

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

1. Using benchmarking data to identify areas for improvement
2. Conducting a tender process for purchases over the tender limit set by trustees
3. Promoting a culture of financial caution
4. Regularly reviewing operations to see if a more efficient method can be used.

The MAT has worked to support its suppliers during the Covid-19 pandemic by using local suppliers where possible to support the community in which its students live, whilst ensuring that best value is still achieved. The MAT focuses on developing and maintaining good working relationships with its suppliers by having an open channel of communication with key budget holders, providing reasonable lead times and paying invoices as quickly as possible.

Covid 19 has had a negative impact on achieving value for money in some areas, mainly due to the lack of availability of goods and materials which has driven prices up.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Launceston College for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided to employ an independent firm as internal auditor.

The Academy's internal scrutiny arrangements were affected by the requirements of the newly revised FRC Ethical Standard for Auditors, effective from 15 March 2020. Griffin were previously carrying out an extended programme of work for internal scrutiny as well as being our external auditors, hence the need to appoint a new independent firm to carry out this work instead. This is still under review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included purchases, governance, regularity, risk management, income, budgets, fixed assets and the trust's response to the Covid-19 pandemic.

On a semi-annual basis, the internal auditor reports to the board of Trustees through the Finance and Assets committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor delivered their schedule of work as intended and a plan is in place to address weaknesses and ensure continuous improvement.

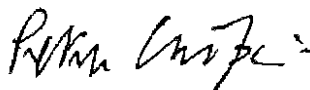
Review of effectiveness

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

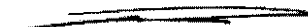
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Assets committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on their behalf by:



P Crispin
Trustee



C Penfold
Accounting Officer

LAUNCESTON COLLEGE
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Launceston College I have considered my responsibility to notify the Multi Academy Trust 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 Multi Academy Trust, under the funding agreement in place between the Multi Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

C Penfold
Accounting Officer
Date: 13 December 2021

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make 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 on 13 December 2021 and signed on its behalf by:



P Crispin
Trustee

LAUNCESTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LAUNCESTON COLLEGE**

Opinion

We have audited the financial statements of Launceston College (the 'multi academy trust') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 Multi Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LAUNCESTON COLLEGE (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic 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 Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic 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.

LAUNCESTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LAUNCESTON COLLEGE (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Multi Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Multi Academy 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.

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

Our audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process.

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LAUNCESTON COLLEGE (CONTINUED)**

Use of our report

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



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of

Griffin

Chartered Accountants

Registered Auditors

Exeter Airport Business Park

Exeter

EX5 2UX

13 December 2021

LAUNCESTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LAUNCESTON COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY**

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

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

Respective responsibilities of Launceston College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Launceston College's funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LAUNCESTON COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



Misty Nickells FCA (Senior Statutory Auditor)
Reporting Accountants
Griffin
Silverdown Office Park
Exeter Airport Buisness Park
Exeter
EX5 2UX

Date: 13 December 2021

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		36,411	6,216	12,991,038	13,033,665	153,229
Charitable activities		328,181	18,387,878	-	18,716,059	17,295,902
Other trading activities		112,719	-	-	112,719	233,547
Investments	6	508	-	-	508	13,264
Total income		477,819	18,394,094	12,991,038	31,862,951	17,695,942
Expenditure on:						
Raising funds		60,383	-	-	60,383	206,429
Charitable activities		578,257	19,171,041	1,333,759	21,083,057	19,179,580
Total expenditure		638,640	19,171,041	1,333,759	21,143,440	19,386,009
Net (expenditure)/income		(160,821)	(776,947)	11,657,279	10,719,511	(1,690,067)
Transfers between funds	17	(99,627)	(291,222)	390,849	-	-
Net movement in funds before other recognised gains/(losses)		(260,448)	(1,068,169)	12,048,128	10,719,511	(1,690,067)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(2,116,000)	-	(2,116,000)	(608,000)
Net movement in funds		(260,448)	(3,184,169)	12,048,128	8,603,511	(2,298,067)
Reconciliation of funds:						
Total funds brought forward		3,712,547	(7,778,057)	62,110,282	58,044,772	60,342,839
Net movement in funds		(260,448)	(3,184,169)	12,048,128	8,603,511	(2,298,067)
Total funds carried forward		3,452,099	(10,962,226)	74,158,410	66,648,283	58,044,772

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 41 to 74 form part of these financial statements.

LAUNCESTON COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 08150106

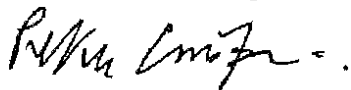
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	61,893,996	61,652,135
		<u>61,893,996</u>	<u>61,652,135</u>
Current assets			
Debtors	15	12,595,448	1,143,423
Cash at bank and in hand		4,746,816	4,345,466
		<u>17,342,264</u>	<u>5,488,889</u>
Creditors: amounts falling due within one year	16	(948,977)	(710,252)
Net current assets		<u>16,393,287</u>	<u>4,778,637</u>
Total assets less current liabilities		<u>78,287,283</u>	<u>66,430,772</u>
Net assets excluding pension liability		<u>78,287,283</u>	<u>66,430,772</u>
Defined benefit pension scheme liability	24	(11,639,000)	(8,386,000)
Total net assets		<u><u>66,648,283</u></u>	<u><u>58,044,772</u></u>
Funds of the Multi Academy Trust			
Restricted funds:			
Fixed asset funds	17	74,158,410	62,110,282
Restricted income funds	17	676,774	607,943
		<u>74,835,184</u>	<u>62,718,225</u>
Restricted funds excluding pension asset	17	74,835,184	62,718,225
Pension reserve	17	(11,639,000)	(8,386,000)
Total restricted funds	17	<u>63,196,184</u>	<u>54,332,225</u>
Unrestricted income funds	17	3,452,099	3,712,547
Total funds		<u><u>66,648,283</u></u>	<u><u>58,044,772</u></u>

LAUNCESTON COLLEGE
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The financial statements on pages 36 to 74 were approved by the Trustees, and authorised for issue on 13 December 2021 and are signed on their behalf, by:



P Crispin
Trustee

The notes on pages 41 to 74 form part of these financial statements.

LAUNCESTON COLLEGE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	297,377	(106,514)
Cash flows from investing activities	20	103,973	(442,718)
Change in cash and cash equivalents in the year		401,350	(549,232)
Cash and cash equivalents at the beginning of the year		4,345,466	4,894,698
Cash and cash equivalents at the end of the year	21, 22	<u>4,746,816</u>	<u>4,345,466</u>

The notes on pages 41 to 74 form part of these financial statements

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

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

1.2 Going concern

The Board of Trustees has a reasonable expectation that the trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The academy had a strong revenue reserves position at the 31 August 2021 of £4,128,873, with £4,746,816 held of cash at this date. A detailed budget for 2021/22 has been prepared and updated to include the impact of Covid, such as additional cleaning costs and a provision for supply if existing staff are unable to cover for colleagues needing to isolate. This budget for 2021/22 is forecasting a deficit of £659,000, along with future deficits for 2022/23 and 2023/24. However, the Trust is well above its reserves policy and is investing in school improvement well within this.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Multi Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

The Multi Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Multi Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	- 2 - 10% straight line
Furniture and fixtures	- 20% straight line
Motor vehicles	- 25% straight line
Computer equipment	- 33% straight line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Multi Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Provisions

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

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

1.12 Financial instruments

The Multi Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academy Trust and their measurement bases 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 Multi Academy Trust's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost 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 instrument. Amounts due to the Multi Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Agency arrangements

The Multi Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at the period end are disclosed in Note 27.

1.16 Fund accounting

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

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

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

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Multi Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as an operating or finance lease requires the Multi Academy Trust to determine, based on an evaluation of 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.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	36,411	6,216	91,091	133,718	23,809
Capital Grants	-	-	12,899,947	12,899,947	129,420
	<u>36,411</u>	<u>6,216</u>	<u>12,991,038</u>	<u>13,033,665</u>	<u>153,229</u>
<i>Total 2020</i>	<u>4,161</u>	<u>19,648</u>	<u>129,420</u>	<u>153,229</u>	

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

4. Funding for the Multi Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	14,893,249	14,893,249	14,374,501
Other DfE/ESFA grants				
Pupil Premium	-	740,895	740,895	733,964
Teachers' Pay and Pension Grant	-	777,022	777,022	775,655
Others	-	704,880	704,880	334,716
	-	17,116,046	17,116,046	16,218,836
Other Government grants				
Higher Needs	-	517,582	517,582	320,709
Other government grants	-	343,395	343,395	121,645
	-	860,977	860,977	442,354
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	214,760	214,760	-
Other DfE/ESFA COVID-19 funding	-	158,517	158,517	-
	-	373,277	373,277	-
Other income from the Multi Academy Trust's educational operations				
Other income	328,181	37,578	365,759	634,712
	328,181	37,578	365,759	634,712
	328,181	18,387,878	18,716,059	17,295,902
<i>Total 2020</i>	<i>596,957</i>	<i>16,698,945</i>	<i>17,295,902</i>	

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

The Multi Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'COVID-19 additional funding (DfE/ESFA)'.

The Trust received £214,760 of funding for catch-up premium and costs incurred in respect of this funding totalled £161,677. This money has been spent on teaching and whole school strategies, group tuitions,

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

4. Funding for the Multi Academy Trust's educational operations (continued)

intervention programmes, extended school time, support for parents and carers, and increasing access to technology.

The Trust received £158,517 of other ESFA COVID-19 funding, which included £118,060 to cover mass testing costs and £19,000 to cover Tutoring programme, £20,617 to cover Academy emergency support and a further £840 to cover additional COVID costs.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	70,131	70,131	115,645
Other	42,588	42,588	117,902
	<u>112,719</u>	<u>112,719</u>	<u>233,547</u>
<i>Total 2020</i>	<u>233,547</u>	<u>233,547</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	508	508	13,264
	<u>13,264</u>	<u>13,264</u>	
<i>Total 2020</i>	<u>13,264</u>	<u>13,264</u>	

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising voluntary income:					
Direct costs	-	-	50,730	50,730	189,448
Expenditure on fundraising trading activities:					
Direct costs	-	-	9,653	9,653	16,981
Direct costs - Educational operations:					
Direct costs	13,159,008	862,016	1,016,190	15,037,214	13,937,726
Allocated support costs	3,556,351	1,317,314	1,172,178	6,045,843	5,241,854
	<u>16,715,359</u>	<u>2,179,330</u>	<u>2,248,751</u>	<u>21,143,440</u>	<u>19,386,009</u>
<i>Total 2020</i>	<u>15,246,548</u>	<u>2,124,428</u>	<u>2,015,033</u>	<u>19,386,009</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	<u>15,037,214</u>	<u>6,045,843</u>	<u>21,083,057</u>	<u>19,179,580</u>
<i>Total 2020</i>	<u>13,937,726</u>	<u>5,241,854</u>	<u>19,179,580</u>	

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

B. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	13,149,566	13,149,566	12,111,934
Depreciation	1,047,222	1,047,222	1,158,400
Educational supplies	395,404	395,404	294,748
Examination fees	228,293	228,293	232,832
Other costs	21,820	21,820	20,299
Supply teachers	9,442	9,442	11,039
Technology costs	185,467	185,467	108,474
	<u>15,037,214</u>	<u>15,037,214</u>	<u>13,937,726</u>
<i>Total 2020</i>		<u>13,937,726</u>	<u>13,937,726</u>

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	139,000	139,000	126,000
Staff costs	3,556,351	3,556,351	3,123,575
Depreciation	286,537	286,537	295,356
Staff development	31,032	31,032	50,478
Recruitment and other staff costs	12,544	12,544	7,402
Maintenance of premises and equipment	390,806	390,806	123,509
Cleaning	95,588	95,588	85,438
Rent and rates	275,404	275,404	263,632
Heat and light	382,384	382,384	347,348
Insurance	62,294	62,294	77,063
Security and transport	141,190	141,190	141,563
Catering	292,508	292,508	252,932
Technology costs	116,228	116,228	131,366
Office overheads	85,749	85,749	37,145
Legal and professional	155,213	155,213	151,289
Bank interest and charges	2,752	2,752	5,801
(Profit)/loss on disposal of fixed assets	(37)	(37)	867
Governance costs	20,300	20,300	21,090
	6,045,843	6,045,843	5,241,854
	6,045,843	6,045,843	5,241,854
<i>Total 2020</i>	<i>5,241,854</i>	<i>5,241,854</i>	

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Operating lease rentals	43,505	80,369
Depreciation of tangible fixed assets	1,333,765	1,453,756
Fees paid to auditors for:		
- audit	9,750	9,250
- other services	3,400	2,950
	1,390,320	1,553,325

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	12,024,719	11,014,625
Social security costs	1,055,319	978,029
Pension costs	3,625,879	3,242,855
	16,705,917	15,235,509
Agency staff costs	9,442	11,039
	16,715,359	15,246,548

b. Staff numbers

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

	2021 No.	2020 No.
Teaching	194	188
Administration and support	293	270
Management	18	20
	505	478

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Teaching	179	161
Administration and support	183	171
Management	17	19
	<u>379</u>	<u>351</u>

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	3	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Multi Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi Academy Trust was £665,286 (2020 - £738,410).

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

11. Central services

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

- Finance function
- Payroll function
- Health and safety function
- School improvement function
- Leadership
- IT function
- Estates management function
- Bank charges
- Trustees expenses
- MAT staff ICT
- Shared service level agreements

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

8.25% of General Annual Grant income (2020: 6.25% of General Annual Grant income).

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Launceston College	536,078	395,215
Bideford College	536,299	393,057
Egloskerry Primary School	32,500	25,179
Atlantic Academy	99,695	63,254
Altarnun Primary School	22,316	15,652
Total	1,226,888	892,357

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Multi Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
C Penfold, Chief Executive	Remuneration	100,000 -	95,000 -
		105,000	100,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2021, expenses totalling £5 were reimbursed or paid directly to 1 Trustee (2020 - £187 to 3 Trustees). This was related to fees to get a document sworn.

13. Trustees' and Officers' insurance

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	66,032,143	178,061	638,726	121,321	66,970,251
Additions	1,103,373	31,591	401,479	42,183	1,578,626
Disposals	-	(3,000)	-	-	(3,000)
At 31 August 2021	<u>67,135,516</u>	<u>206,652</u>	<u>1,040,205</u>	<u>163,504</u>	<u>68,545,877</u>
Depreciation					
At 1 September 2020	4,698,847	90,834	456,152	72,283	5,318,116
Charge for the year	1,095,151	26,136	184,334	28,144	1,333,765
At 31 August 2021	<u>5,793,998</u>	<u>116,970</u>	<u>640,486</u>	<u>100,427</u>	<u>6,651,881</u>
Net book value					
At 31 August 2021	<u>61,341,518</u>	<u>89,682</u>	<u>399,719</u>	<u>63,077</u>	<u>61,893,996</u>
At 31 August 2020	<u>61,333,296</u>	<u>87,227</u>	<u>182,574</u>	<u>49,038</u>	<u>61,652,135</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	79,487	86,837
Amounts owed by group undertakings	-	34,228
Other debtors	53,435	11,589
Prepayments and accrued income	12,462,526	1,010,769
	<u>12,595,448</u>	<u>1,143,423</u>

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

16. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£	£
Trade creditors	136,374	62,606
Other creditors	89,087	174,370
Accruals and deferred income	723,516	473,276
	<u>948,977</u>	<u>710,252</u>
	2021	<i>2020</i>
	£	£
Deferred income at 1 September 2020	30,891	44,133
Resources deferred during the year	71,211	30,891
Amounts released from previous periods	(30,891)	(44,133)
	<u>71,211</u>	<u>30,891</u>

At the balance sheet date the Trust was holding funds received in advance of the 2021/22 year consisting of Universal Infant Free School Meals, PGCE income, rental income and tennis court hire income.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	3,712,547	477,819	(638,640)	(99,627)	-	3,452,099
Restricted general funds						
General Annual Grant (GAG)	210,505	14,893,249	(14,812,532)	(291,222)	-	-
Pupil Premium	2,428	740,895	(743,323)	-	-	-
Higher Needs	-	517,582	(517,582)	-	-	-
Teacher pension/pay grant	-	777,022	(777,022)	-	-	-
Catch-up premium	-	214,760	(161,677)	-	-	53,083
Other DfE/ESFA COVID-19 funding	-	158,517	(93,638)	-	-	64,879
Other grants	395,010	1,092,069	(928,267)	-	-	558,812
Pension reserve	(8,386,000)	-	(1,137,000)	-	(2,116,000)	(11,639,000)
	<u>(7,778,057)</u>	<u>18,394,094</u>	<u>(19,171,041)</u>	<u>(291,222)</u>	<u>(2,116,000)</u>	<u>(10,962,226)</u>
Restricted fixed asset funds						
Transfer on conversion	58,792,047	-	(807,270)	-	-	57,984,777
DfE Group capital grants	2,195,781	842,389	(290,035)	5,954	-	2,754,089
Capital expenditure from GAG	387,972	-	(94,400)	150,866	-	444,438
Other capital grants	530,355	12,057,558	(62,139)	-	-	12,525,774
Capital expenditure from unrestricted funds	180,439	-	(28,505)	93,676	-	245,610

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Capital expenditure from restricted funds	23,688	-	(36,259)	140,353	-	127,782
Capital donation	-	91,091	(15,151)	-	-	75,940
	<u>62,110,282</u>	<u>12,991,038</u>	<u>(1,333,759)</u>	<u>390,849</u>	<u>-</u>	<u>74,158,410</u>
Total Restricted funds	<u>54,332,225</u>	<u>31,385,132</u>	<u>(20,504,800)</u>	<u>99,627</u>	<u>(2,116,000)</u>	<u>63,196,184</u>
Total funds	<u><u>58,044,772</u></u>	<u><u>31,862,951</u></u>	<u><u>(21,143,440)</u></u>	<u><u>-</u></u>	<u><u>(2,116,000)</u></u>	<u><u>66,648,283</u></u>

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

General Annual Grant

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

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the Trust to address the current underlying inequalities between those children and their wealthier peers.

Higher Needs

Income received from the Local Authority to fund further support for pupils with additional needs.

Teachers' pay/pension grant

Income from the ESFA to support schools and local authorities with the cost of the increase in employer contributions to the teachers pension scheme and increase in pay.

Catch-up Premium

Catch-up premium received from the ESFA in response to the COVID-19 pandemic.

Other DfE/ESFA COVID-19 funding

Free schools meal cost funding received in response to the COVID-19 pandemic.

Other grants

Other income from the ESFA/DfE, local government and other income (e.g. donations) for restricted purposes.

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to academy.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

17. Statement of funds (continued)

Fixed Asset Restricted Funds

Fixed assets transferred on conversion

This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG

This represents fixed assets which were purchased from GAG and other restricted funding.

DfE Group Capital Grants

Funds received for direct expenditure on fixed asset projects. The balance at the year end represents the net book value of assets purchased and any unspent grant amounts.

Other capital grants

This represents fixed assets purchased from other capital grants.

Fixed assets purchased from unrestricted funds

This represents assets purchased from unrestricted funds.

Fixed assets purchased from restricted funds

This represents assets purchased from unrestricted funds.

Capital donation

This represents laptops (fixed assets) that were donated to the schools to support children from low income families during lockdown.

Fund Transfers

A transfer has been made between GAG funding and restricted fixed assets to reflect capital items purchased in the year using GAG funding.

A transfer has been made from restricted fixed asset funds in relation to DfE/ESFA funding that was for capital works that have been spent towards projects which have not been capitalised in the accounts.

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	3,106,391	847,929	(223,151)	(18,622)	-	3,712,547
Restricted general funds						
General Annual Grant (GAG)	537,142	14,374,501	(14,477,355)	(223,782)	-	210,506
Pupil Premium	-	733,964	(731,536)	-	-	2,428
Higher Needs	-	320,709	(320,709)	-	-	-
Teacher pension/pay grant	-	775,655	(775,655)	-	-	-
Other grants	222,199	513,764	(466,406)	125,452	-	395,009
Pension reserve	(6,840,559)	-	(937,441)	-	(608,000)	(8,386,000)
	<u>(6,081,218)</u>	<u>16,718,593</u>	<u>(17,709,102)</u>	<u>(98,330)</u>	<u>(608,000)</u>	<u>(7,778,057)</u>
Restricted fixed asset funds						
Transfer on conversion	59,863,539	-	(871,493)	-	-	58,792,046
DfE Group capital grants	2,539,997	129,420	(478,254)	4,619	-	2,195,782
Capital expenditure from GAG	292,603	-	(37,636)	133,005	-	387,972
Other capital grants	587,282	-	(43,511)	(13,416)	-	530,355
Capital expenditure from unrestricted funds	210,310	-	(20,848)	(9,023)	-	180,439
Capital expenditure from restricted funds	23,935	-	(2,014)	1,767	-	23,688

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

17. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
	63,317,666	129,420	(1,453,756)	116,952	-	62,110,282
Total Restricted funds	57,236,448	16,848,013	(19,162,858)	18,622	(608,000)	54,332,225
Total funds	60,342,839	17,695,942	(19,386,009)	-	(608,000)	58,044,772

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Launceston College	2,061,697	2,036,265
Bideford College	1,685,050	1,870,244
Egloskerry Primary School	192,874	160,041
Atlantic Academy	69,827	51,395
Altarnun Primary School	22,772	34,136
Central Services	96,653	168,409
Total before fixed asset funds and pension reserve	4,128,873	4,320,490
Restricted fixed asset fund	74,158,410	62,110,282
Pension reserve	(11,639,000)	(8,386,000)
Total	66,648,283	58,044,772

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Launceston College	5,655,939	775,438	347,378	660,159	7,438,914	6,837,284
Bideford College	5,337,675	976,584	340,219	761,500	7,415,978	7,058,613
Egloskerry Primary School	291,895	39,336	16,857	53,775	401,863	431,172
Atlantic Academy	1,039,560	184,103	107,767	283,360	1,614,790	1,394,397
Altarnun Primary School	191,804	38,465	34,282	69,474	334,025	286,174
Central Services	303,638	882,922	44,864	235,687	1,467,111	1,924,613
Multi Academy Trust	12,820,511	2,896,848	891,367	2,063,955	18,672,681	17,932,253

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	61,893,996	61,893,996
Current assets	4,401,076	676,774	12,264,414	17,342,264
Creditors due within one year	(948,977)	-	-	(948,977)
Provisions for liabilities and charges	-	(11,639,000)	-	(11,639,000)
Total	3,452,099	(10,962,226)	74,158,410	66,648,283

Analysis of net assets between funds - prior year

	<i>Unrestricted</i> <i>funds</i> 2020 £	<i>Restricted</i> <i>funds</i> 2020 £	<i>Restricted</i> <i>fixed asset</i> <i>funds</i> 2020 £	<i>Total</i> <i>funds</i> 2020 £
Tangible fixed assets	-	-	61,652,135	61,652,135
Current assets	4,422,799	607,943	458,147	5,488,889
Creditors due within one year	(710,252)	-	-	(710,252)
Provisions for liabilities and charges	-	(8,386,000)	-	(8,386,000)
Total	3,712,547	(7,778,057)	62,110,282	58,044,772

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	10,719,511	(1,690,067)
Adjustments for:		
Depreciation	1,333,765	1,453,756
Capital grants from DfE and other capital income	(12,991,038)	(129,420)
Interest from investments	(508)	(16,344)
Defined benefit pension scheme cost less contributions payable	998,000	813,000
Defined benefit pension scheme finance cost	139,000	124,442
Decrease/(increase) in debtors	99,190	(249,065)
Decrease in creditors	(506)	(413,683)
Profit/loss on disposal of fixed assets	(37)	867
Net cash provided by/(used in) operating activities	297,377	(106,514)

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	508	16,344
Purchase of tangible fixed assets	(1,248,304)	(714,718)
Proceeds from the sale of tangible fixed assets	3,037	-
Capital grants from DfE Group	1,348,732	255,656
Net cash provided by/(used in) investing activities	103,973	(442,718)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	4,746,816	4,345,466
Total cash and cash equivalents	4,746,816	4,345,466

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	4,345,466	401,350	4,746,816
	<u>4,345,466</u>	<u>401,350</u>	<u>4,746,816</u>

23. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>12,083,729</u>	<u>155,006</u>

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

24. Pension commitments

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

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

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

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £1,882,914 (2020 - £1,746,487).

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

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

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £995,000 (2020 - £878,000), of which employer's contributions totalled £781,000 (2020 - £690,000) and employees' contributions totalled £ 214,000 (2020 - £188,000). The agreed contribution rates for future years are 15.4 - 16.9 per cent for employers and 6.1 per cent for employees.

As described in note 1.14 the LGPS obligation relates to the employees of the Multi Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	2.9 - 3.9	2.2 - 3.3
Rate of increase for pensions in payment/inflation	2.9 - 2.9	2.2 - 2.3
Discount rate for scheme liabilities	1.7 - 1.7	1.6 - 1.7

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.5 - 23.0	21.4 - 22.9
Females	24.1 - 24.2	23.6 - 24.1
<i>Retiring in 20 years</i>		
Males	22.8 - 24.4	22.3 - 24.3
Females	25.6 - 25.8	25.1 - 25.5

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

24. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(384)	(628)
Discount rate -0.1%	392	634
Mortality assumption - 1 year increase	628	329
Mortality assumption - 1 year decrease	(612)	(319)
CPI rate +0.1%	371	549
CPI rate -0.1%	(364)	(544)

Share of scheme assets

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

	2021	2020
	£	£
Equities	7,103,220	5,394,840
Debt instruments	3,220,650	2,424,040
Property	1,027,540	770,340
Cash and other liquid assets	529,590	815,780
Total market value of assets	11,881,000	9,405,000

The actual return on scheme assets was £1,752,260 (2020 - £372,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021	2020
	£	£
Current service cost	(1,777,000)	(1,501,000)
Interest income	164,000	171,000
Interest cost	(303,000)	(297,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of financial activities	(1,918,000)	(1,629,000)

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	17,791,000	15,849,683
Current service cost	1,777,000	1,501,000
Interest cost	303,000	297,317
Employee contributions	214,000	188,000
Actuarial losses	3,550,000	86,000
Benefits paid	(115,000)	(131,000)
At 31 August	23,520,000	17,791,000

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

	2021 £	2020 £
At 1 September	9,405,000	9,011,124
Interest income	164,000	170,876
Actuarial gains/(losses)	1,434,000	(522,000)
Employer contributions	781,000	690,000
Employee contributions	214,000	188,000
Benefits paid	(115,000)	(131,000)
Administration costs	(2,000)	(2,000)
At 31 August	11,881,000	9,405,000

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	45,171	23,300
Later than 1 year and not later than 5 years	93,213	69,200
Later than 5 years	679,900	691,200
	818,284	783,700

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

26. Members' liability

Each member of the charitable company undertakes liability 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.

27. Related party transactions

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

During the year, £2,850 (2020 - £200) was paid to Greenpower Education Trust for an event regarding a science and engineering challenge. E Kerr, Principal and local governor of Egloskerry, is a Trustee of Greenpower Education Trust. At the balance sheet date, the amount payable to Greenpower Education Trust was £Nil (2020 - £Nil).

During the year, £1,200 (2020 - £1,200) was paid to CSW Careers South West Group Ltd for the Quality in Careers Standard Enhanced Support Package. One of the directors of CSW Careers South West Group Ltd is the husband of D Buckland, a local governor. At the balance sheet date, the amount payable to CSW Careers South West Group Ltd was £Nil (2020 - £Nil).

During the year, £500 (2020 - £Nil) was paid to Charlie Bears Limited for the purchase of bears for one of the primary schools. W Morris, a member at the Multi Academy Trust, is also a director of Charlie Bears Limited. At the balance sheet date, the amount payable to Charlie Bears Limited was £Nil (2020 - £Nil).

28. Agency arrangements

The Multi Academy Trust distributes 16-19 funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021 the Multi Academy Trust received £57,269 (2020: £48,782) and disbursed £131,844 (2020: £40,013) from the fund. An amount of £88,486 (2020: £163,061) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

LAUNCESTON COLLEGE
(A company limited by guarantee)

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

29. Subsidiary undertaking

Launceston College Nursery is an independent charity (charity number 1173933), operating as an unincorporated association. It was registered on 25 July 2017. Launceston College was the sole trustee and sole member of Launceston College Nursery during the prior year.

Through a transparent and strategic process, with the support of families and outcomes of pupils at the core, a decision was made for Launceston College Nursery to change ownership to the existing Nursery Manager on 21 July 2020.

	2021	2020
	£	£
Turnover	-	86,470
Cost of sales and administration costs	-	(98,208)
	<u>-</u>	<u>(11,738)</u>