

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 11
Statement on regularity, propriety and compliance	12
Statement of Trustees' responsibilities	13
Independent auditors' report on the financial statements	14 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities incorporating income and expenditure account	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 40

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Mr Peter Cloke Mrs Gail Hunt Dr Elizabeth Sheridan Mr David Alan John Walrond Mrs Margaret Ellen Winsor
Trustees	Mr Jonathan Burnett, Vice Chair Mr Michael John Davis Mrs Susan Jane Dickinson Mr Thomas Paul Reed Mr Philip Richard Ugalde Mr David Alan John Walrond, Chair Mr Mark James Wardle Mr Philip John Waller Mr Christopher Sidney Twigg Mrs Debra Tarrant (appointed 16 October 2017) Dr Claire Gray (appointed 1 January 2018)
Company registered number	09802491
Company name	Callywith College Trust
Registered office	Old Callywith Road Bodmin Cornwall PL31 2GT
Company secretary	Mrs Alison Jane Winter
Principal and Accounting officer	Mr Mark James Wardle
Senior management team	Mr Mark James Wardle, Principal Mr Jonathan Grey, Assistant Principal Ms Lucy Maggs, Assistant Principal Ms Rae Loom, Business Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Chy Nyverow Newham Road Truro Cornwall TR1 2DP
Bankers	HSBC 17 Boscawen Street Truro Cornwall TR1 2QZ

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Advisers (continued)

Solicitors	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX2 5WR
-------------------	--

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

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

The Trust operates an academy for pupils aged 16 to 19 in Cornwall. It has a pupil capacity of 1280 and had a roll of 334 in the ILR (Individualised Learner Record) in October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Callywith College Trust opened as an Academy on 1 September 2017. The Trust was incorporated on 30 September 2015 and is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

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

Details of the Trustees who served throughout 2017-18, except as noted, are included in the Governance Statement on page 10.

Members' liability

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

Trustees' Indemnities

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Trust's Board of Trustees comprises the Principal, a minimum of 2 Parent Trustees (providing that the total number of trustees, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of trustees) and up to 6 other Trustees.

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

- up to 6 trustees who are appointed by members
- minimum of 2 parent trustees who are elected by parents of registered pupils at the Trust
- the Principal, providing he agrees so to act as a Trustee, who is appointed by the members
- they may also have any Co-opted Trustee appointed as deemed necessary at the time by the Board

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

always include a tour of the college and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Trust and determines responsibilities, terms of reference and procedures of any sub-committees or working groups. It receives reports including policies from sub-committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 3 committees as follows.

- Finance, Employment and Audit Committee - this meets once a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Teaching, Learning and Student Experience Committee – this meets once a term to monitor teaching, learning and student experience, including curriculum, target setting and assessment, examinations and all pastoral issues including safeguarding.
- Remuneration Committee – this meets once a year to discuss Senior Management Team remuneration.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Trust to the Principal and Senior Management Team (SMT). The SMT comprises the Principal, two Assistant Principals and the Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance.

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

The Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

Connected Organisations, including Related Party Relationships

Callywith College Trust is sponsored by Truro and Penwith College. Truro and Penwith College will allow the Trust use of the parking and leisure facilities through a shared use agreement between it and the Trust.

Callywith College Trust's land is leased from Truro and Penwith College on a 125 year lease term.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a 16 to 19 Trust offering a curriculum appropriate to the needs of its students;

The aims of the Trust during 2017-18 are summarised below:

- Address the clearly identified and very significant post-16 academic and vocational educational underperformance in the area from which the College will draw its students in line with Cornwall's Raising Aspiration and Achievement Strategy (RAAS).
- Deliver a new and significantly higher quality post-16 vocational and academic offer in crucial areas of underperformance in Cornwall, including at Levels 2 and 3, and in the 'STEM' subjects of Science, Technology, Engineering and Mathematics.
- Significantly improve the life chances of thousands of Cornish young people by providing ready access to outstanding education and training, and empowering them to progress into higher education and into employment.
- Revitalise Bodmin and other communities in North and East Cornwall, supporting strong aspirations to enhance the skills and attainment of local people, and to develop a genuine hub for economic growth within Cornwall.

Objectives, Strategies and Activities

Key Priorities for the year are contained within our Strategic Plan and Self-Assessment Report. Improvement focuses identified for this year includes:

- Recruit 1280 16-19 students within 5 years of opening.
- Achieve a good or outstanding Ofsted inspection.
- Provide outstanding teaching, learning and assessment.
- Provide outstanding support to students.
- Promote Equality, Diversity and Inclusion.
- Recruit, motivate and support high quality staff.
- Ensure a secure financial position.
- Meet the skills needs of local employers.
- Make a significant contribution to community life.
- Develop a range of partnerships to support the curriculum

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

The Trust in its first year of operation has exceeded the DfE's estimated student numbers, recruiting 334 students instead of 284. The Trust anticipates that the PAN (Pupil Admission Numbers) of 1,280 will be reached by 2020, with over 770 students for 2018/19, 1,000 for 19/20 and at full capacity in 20/21.

The college's first set of achievement data is good.

1. AS Levels

Learners on AS programmes made very good progress and are retained on their programme of study.

- ALPs (Value added measure) of grade 4 (Very Good) for AS levels.
- 88.1% Qualification Achievement Rate (QAR) for 599 enrolments, 8.5% above all institutions national average and 5.6% above 6th Form College average.
- 23/28 AS courses QAR above all institutions national average.
- 16/28 AS courses 10% or more above all institutions national average.

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

- 98.3% retention, 6.1% above all institutions national average and 5.9% above 6th Form College average.
- 89.6% pass rate, 3.1% above all institutions national average and 0.3% above 6th Form College average.
- 62% A-C pass rate, 4% below national average for AS.
- 37.7% A-B pass rate, 9.5% below national average for AS.

Targets and Performance Indicators for AS Levels.

Performance at AS meets or exceeds the college's own targets:

AS	Targets	Actuals
Qualification Achievement rate	81%	88.1%
High grades (A-C)	43%	62%
Value Added	ALPS 4	ALPS 4

2. Level 3 Vocational

Learners on Level 3 Vocational programmes made very good progress, achieved their qualifications with many receiving high grades:

- ALPs grade 2 for UAL Diploma courses in Art & Design, Photography and Creative Media.
- ALPs grade 3 for BTEC Sport and ALPs grade 4 for Business.
- ALPs grade 6 for Health and Social Care and ICT.
- 94.4% QAR for 144 enrolments, significantly above all institution national averages (88.2% Diploma and 74.9% Other regulated).
- 8/9 Foundation Diploma/Diploma courses above all institutions national average.
- 7/9 Foundation Diploma/Diploma courses 10% or more above all institutions national average.
- 39% of learners achieved Distinction or "Distinction *" (with the majority following the more challenging NQF BTEC qualifications).
- 97.2% retention, significantly above all institution national averages (92.1% Diploma and 88.1% Other regulated).
- 97.1% pass rate, above all institution national averages (95.8% Diploma and 85.1% Other regulated).

Targets and Performance Indicators for Level 3 Vocational Courses

Performance on vocational qualifications is very good. The % of students achieving their qualification is significantly above national average. The % achieving high grades is below our internal target, but this was set based on the old specifications which did not include examinations.

Level 3 Vocational (Foundation Diploma)	Targets	Actuals
Qualification Achievement rate	81%	94.4%
High grades (Distinction or above)	50%	39%

3. Level 2 Vocational

Learners on Level 2 vocational courses are retained on their programmes of study and achieved their qualifications performing above the national average:

- 86.2% QAR for 29 enrolments, 5.4% above all institutions national average.
- 3/4 Level 2 Certificates above all institutions national average.
- 96.6% retention, 8.1% above all institutions national average.
- 89.3 % pass rate, 1.9% below all institutions national average

Targets and Performance Indicators for Level 2 Vocational Courses

Performance on Level 2 Certificates meets or exceeds the college's own targets:

Level 2 Vocational (Certificates)	Targets	Actuals
Qualification Achievement rate	80%	86.2%
High grades (Merit or above)	30%	54%

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

4. GCSE English and Maths

Learners made much better progress than the national rate for all schools and colleges, with pass rates being above national averages for 16-18 year olds:

- Outstanding progress on GCSE English: 0.65 (National Average -0.02)
- GCSE English grade 4+ pass rate of 49%, 15% above national average
- GCSE English: 17.5% improved by more than 1 grade, 32.5% improved by 1 grade, 42.5% achieved their grade on entry and 7.5% declined by 1 grade.
- Outstanding progress on GCSE Maths: 0.23 (National Average 0.00)
- GCSE Maths grade 4+ pass rate of 24%, 1% above national average
- GCSE Maths: 9% improved by more than 1 grade, 23% improved by 1 grade, 62% achieved their grade on entry and 6% declined by 1 grade.

Targets and Performance Indicators for GCSE English and Maths

Performance on GCSE English is significantly above national average and the college target. Whilst GCSE maths performance was above national average and learners make good progress, the % achieving a 4 or above is significantly below the college's target.

GCSE	Targets	Actuals
English 4 and above	40%	49%
Maths 4 and above	40%	24%

Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2017/18 were 334, an increase of 50 over the anticipated student numbers by the DfE, with 775 being recruited for 2018/19. It is anticipated that this number will continue to rise.

Another key financial performance indicator will be staffing costs as a percentage of GAG (General Annual Grant). For 2017/18 this was 91%.

	Target for 17/18	Long Term	Performance 17/18
Achievement of core funding	100%	95%	100%
Student enrolments against PAN	100%	100%	100%
Student enrolments against Target (until reach full capacity)	90%	100% of PAN	100%
Total Staffing as a percentage of total college income	90%	70%	91%
Retained surplus/income	0%	2%	0%
Current ratio (i.e. ratio of current assets to liabilities at year end)	1.0	2.0	1.0
Cash days in hand at year end	30	45	98

Recruitment measures

	Target for 17/18	Performance
Recruitment of our target number of students each year	100% against PAN	334 students enrolled, +3 on PAN
Delivery of curriculum plan	90% of subjects offered to be delivered	98% of courses were delivered

Teaching and Learning measures

	Targets 17/18	Performance
Teaching, learning and assessment to be Outstanding or Good	100% of lesson observations 90% of student surveys to identify TLA as good or better	93% 96%
In-year retention rate for all students	93%	97.6%
Attendance	90%	86%

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

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA (Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ending 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2018, the Academy received total income of £2,171,780 and incurred total expenditure of £2,278,787 (excluding fixed asset fund). The excess of expenditure over income for the year was £90,007.

At 31 August 2018 the net book value of fixed assets was £22,248,336 and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Key financial policies reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principal, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

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

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds are delegated to the Principal within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

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

The most significant risks identified are:

- Failure to secure adequate revenue funding
- Failure to constrain expenditure
- The impact of FE Skills reforms on curriculum offer and delivery
- College performance data and the impact on reputation
- Failure to fully utilise new MIS software reporting functions
- Failure to achieve 16-19 recruitment targets
- Effective management of staffing to ensure student demand for courses can be met in a financially efficient way.

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

FUNDRAISING

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

PLANS FOR FUTURE PERIODS

The college is working towards recruiting 1280 students within 5 years of opening. The college will be inspected by Ofsted within 3 years of opening so is focused on delivering an outstanding experience to learners.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITORS

In so far as the Trustees are aware:

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

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 5/12/18 and signed on the board's behalf by:



**Mr David Alan John Walrond
Chair of Trustees**

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Callywith College Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 10 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
Mr Jonathan Burnett, Vice Chair	6	7
Mr Michael John Davies	7	7
Mrs Susan Jane Dickinson	7	7
Mr Thomas Paul Reed	6	7
Mr Philip Richard Ugalde	4	7
Mr David Alan John Walrond, Chair	6	10
Mr Mark James Wardle	10	10
Mr Philip John Waller	6	7
Mr Christopher Sidney Twigg	6	7
Mrs Debra Tarrant	4	6
Dr Claire Gray	5	5

The overall attendance rate for trustees was 95%. The Board assessed its performance as excellent for the year, having successfully overseen the opening of the campus on time and on budget. The Board has established 3 sub-committees to oversee the work of the Trust:

1. Teaching, Learning and Student Experience
2. Finance, Employment and Audit
3. Remuneration of Senior Management Team

REVIEW OF VALUE FOR MONEY

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

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

Ensuring economies of scale are achieved through sharing resources and purchasing power with Truro & Penwith College.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

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 Callywith College Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed TIAA as internal auditor.

TIAA has delivered their schedule of work as planned for the period 1 September 2017 to August 2018. No material control issues were identified as part of the review. Any recommendations made have been implemented.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Employment and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5/12/18 and signed on their behalf, by:



Mr David Alan John Walrond
Chair of Trustees



Mr Mark James Wardle
Accounting Officer

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Callywith College Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



**Mr Mark James Wardle
Accounting Officer**

Date: ...5/12/18.....

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Mr David Alan John Walrond
Chair of Trustees**

Date: 5.12.18

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Callywith College Trust (the 'Trust') for the year ended 31 August 2018 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

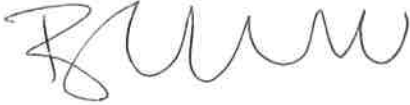
USE OF OUR REPORT

This report is made solely to the Academy Trust's members in accordance with Chapter 3 of Part 16 of the

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CALLYWITH COLLEGE TRUST

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



Alison Oliver FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Date: 12 - 12 - 18

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CALLYWITH COLLEGE TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Callywith College Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF CALLYWITH COLLEGE TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Callywith College Trust's funding agreement with the Secretary of State for Education dated 18 February 2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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

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

**CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CALLYWITH
COLLEGE TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alison Oliver FCA (Reporting Accountant)

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

Date: 12-12-18

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and grants	2	276,221	-	9,281,674	9,557,895	13,811,820
Charitable activities	3	138,847	1,732,470	-	1,871,317	-
Other trading activities	4	24,242	-	-	24,242	-
TOTAL INCOME		439,310	1,732,470	9,281,674	11,453,454	13,811,820
EXPENDITURE ON:						
Charitable activities		144,834	2,133,953	745,158	3,023,945	164,780
TOTAL EXPENDITURE	5	144,834	2,133,953	745,158	3,023,945	164,780
NET BEFORE TRANSFERS		294,476	(401,483)	8,536,516	8,429,509	13,647,040
Transfers between Funds	16	(290,745)	290,745	-	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		3,731	(110,738)	8,536,516	8,429,509	13,647,040
Actuarial gains on defined benefit pension schemes	20	-	17,000	-	17,000	-
NET MOVEMENT IN FUNDS		3,731	(93,738)	8,536,516	8,446,509	13,647,040
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	70,738	13,711,820	13,782,558	135,518
TOTAL FUNDS CARRIED FORWARD		3,731	(23,000)	22,248,336	22,229,067	13,782,558

The notes on pages 22 to 40 form part of these financial statements.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 09802491

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		22,248,336		13,711,820
CURRENT ASSETS					
Debtors	13	393,139		118,058	
Cash at bank and in hand		221,441		233,346	
		614,580		351,404	
CREDITORS: amounts falling due within one year	14	(610,849)		(280,666)	
NET CURRENT ASSETS			3,731		70,738
TOTAL ASSETS LESS CURRENT LIABILITIES			22,252,067		13,782,558
Defined benefit pension scheme liability	20		(23,000)		-
NET ASSETS			22,229,067		13,782,558
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	16	-		70,738	
Fixed asset funds	16	22,248,336		13,711,820	
Restricted funds excluding pension liability		22,248,336		13,782,558	
Pension reserve		(23,000)		-	
Total restricted funds			22,225,336		13,782,558
Unrestricted funds	16		3,731		-
TOTAL FUNDS			22,229,067		13,782,558

The financial statements on pages 19 to 40 were approved by the Trustees, and authorised for issue, on 5-12-18 and are signed on their behalf, by:



Mr David Alan John Walrond
Chair of Trustees

The notes on pages 22 to 40 form part of these financial statements.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(11,905)	83,346
Cash flows from investing activities:			
Purchase of tangible fixed assets		(9,281,674)	(13,711,820)
Capital funding received from sponsors and others		9,281,674	13,711,820
Net cash provided by investing activities		-	-
Change in cash and cash equivalents in the year		(11,905)	83,346
Cash and cash equivalents brought forward		233,346	150,000
Cash and cash equivalents carried forward	19	221,441	233,346

The notes on pages 22 to 40 form part of these financial statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Callywith College Trust constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

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

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000, are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Leasehold property	-	2% and 10% straight line
Motor vehicles	-	20% straight line
Office equipment	-	33%, 20% and 12.5% straight line

Depreciation on assets is not charged until they are brought into use.

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

1.6 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.

1.7 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.

1.8 LIABILITIES AND PROVISIONS

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

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. 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.

1.10 TAXATION

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

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing bursary funds from the Education and Skills Funding Agency (ESFA). Funds 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 funds. The funds received and paid and any balances held are disclosed in note 23.

1.13 FUND ACCOUNTING

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

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

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

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Assets transferred	-	-	9,281,674	9,281,674	13,711,820
Sponsor funding	276,221	-	-	276,221	-
Government grants	-	-	-	-	100,000
	<u>276,221</u>	<u>-</u>	<u>9,281,674</u>	<u>9,557,895</u>	<u>13,811,820</u>
Total 2017	<u>-</u>	<u>100,000</u>	<u>13,711,820</u>	<u>13,811,820</u>	

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	1,388,043	1,388,043	-
Start up Grants	-	250,000	250,000	-
Other DfE Group grants	-	53,342	53,342	-
	-	1,691,385	1,691,385	-
Other Government grants				
High Needs	-	31,744	31,744	-
Other Government grants	-	9,341	9,341	-
	-	41,085	41,085	-
Other funding				
Sales to students	138,847	-	138,847	-
	138,847	-	138,847	-
	138,847	1,732,470	1,871,317	-
Total 2017	-	-	-	-

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	21,050	-	21,050	-
Other grants	1,060	-	1,060	-
Other income	2,132	-	2,132	-
	24,242	-	24,242	-

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

5. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£	£	£	£	£
Education:					
Direct costs	1,024,561	438,506	434,216	1,897,283	-
Support costs	280,301	438,506	407,855	1,126,662	34,316
	1,304,862	877,012	842,071	3,023,945	34,316
Total 2017	34,316	-	-	34,316	

6. DIRECT COSTS

	Total	Total
	2018	2017
	£	£
Educational supplies	57,726	620
Examination fees	68,877	-
Other costs	911	-
Educational consultancy	50	-
Wages and salaries	837,382	-
National insurance	69,180	-
Pension cost	117,999	-
Depreciation	745,158	-
	1,897,283	620
Total 2017	620	

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

7. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Other costs	-	11,463
Recruitment and support	12,061	9,129
Maintenance of premises and equipment	259,788	-
Cleaning	16,637	-
Rent and rates	56,512	-
Energy costs	83,279	-
Insurance	9,132	1,061
Security and transport	350,742	-
Catering	7,906	-
Technology costs	22,790	93,619
Office overheads	18,124	-
Legal and professional	7,338	14,249
Bank interest and charges	333	-
Governance	1,719	323
Wages and salaries	192,289	34,316
National insurance	18,805	-
Pension cost	69,207	-
	1,126,662	164,160
	<hr/>	<hr/>
Total 2017	164,160	
	<hr/>	

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	745,158	-
Auditors' remuneration	2,500	2,500
Auditors' remuneration - non-audit	2,450	-
Operating lease rentals:		
- other operating leases	1,482	-
	<hr/>	<hr/>

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,029,671	34,316
Social security costs	87,985	-
Operating costs of defined benefit pension schemes	187,206	-
	<u>1,304,862</u>	<u>34,316</u>

b. Staff numbers

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

	2018 No.	2017 No.
Management	3	-
Teachers	29	-
Support and Administration	24	-
	<u>56</u>	<u>-</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Management	3	0
Teachers	24	0
Support and Administration	18	0
	<u>45</u>	<u>0</u>

No employee received remuneration amounting to more than £60,000 in either year.

c. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their roles as Trustees) and the Senior Management Team as listed on page 1 (excluding Mr Mark Wardle whose salary was paid via Truro and Penwith College and not recharged as part of a memorandum of understanding). 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 Academy Trust was £171,522 (2017: £NIL)

10. TRUSTEES' REMUNERATION AND EXPENSES

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

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

During the year ended 31 August 2018, expenses totalling £529 (2017: £373) were reimbursed to 3 Trustees (2017: 3).

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. TANGIBLE FIXED ASSETS

	Leasehold property £	Curriculum equipment £	Motor vehicles £	Total £
COST				
At 1 September 2017	12,750,036	937,029	24,755	13,711,820
Additions	9,171,205	98,719	11,750	9,281,674
At 31 August 2018	<u>21,921,241</u>	<u>1,035,748</u>	<u>36,505</u>	<u>22,993,494</u>
DEPRECIATION				
At 1 September 2017	-	-	-	-
Charge for the year	438,506	299,351	7,301	745,158
At 31 August 2018	<u>438,506</u>	<u>299,351</u>	<u>7,301</u>	<u>745,158</u>
NET BOOK VALUE				
At 31 August 2018	<u>21,482,735</u>	<u>736,397</u>	<u>29,204</u>	<u>22,248,336</u>
At 31 August 2017	<u>12,750,036</u>	<u>937,029</u>	<u>24,755</u>	<u>13,711,820</u>

During the previous year Truro & Penwith College managed the construction of the Callywith Campus and acquisition of equipment. The Temple building was completed in August 2017 and transferred to Callywith College Trust. The Garrow building was completed in October 2017 and transferred at that date.

13. DEBTORS

	2018 £	2017 £
Trade debtors	3,722	-
VAT	39,788	118,058
Other debtors	44,311	-
Prepayments and accrued income	305,318	-
	<u>393,139</u>	<u>118,058</u>

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	23,418	-
Other taxation and social security	19,648	-
Other creditors	446,147	248,508
Accruals and deferred income	121,636	32,158
	<u>610,849</u>	<u>280,666</u>

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	29,658	-
Resources deferred during the year	56,041	29,658
Amounts released from previous years	(29,658)	-
	<u>56,041</u>	<u>29,658</u>
Deferred income at 31 August 2018	56,041	29,658

Deferred income represents payments received in advance for bus passes relating to the subsequent academic year.

15. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	<u>48,033</u>	<u>-</u>
Financial liabilities measured at fair value through income and expenditure	<u>530,210</u>	<u>248,507</u>

Financial assets measured at fair value through income and expenditure comprise of trade debtors, accrued income and other debtors.

Financial liabilities measured at fair value through income and expenditure comprise of trade creditors, accruals and other creditors.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	-	439,310	(144,834)	(290,745)	-	3,731
RESTRICTED FUNDS						
Project Development Grant	70,738	-	(70,738)	-	-	-
General Annual Grant (GAG)	-	1,426,407	(1,717,152)	290,745	-	-
Start up grant	-	250,000	(250,000)	-	-	-
Other DfE and government grants	-	56,063	(56,063)	-	-	-
Pension reserve	-	-	(40,000)	-	17,000	(23,000)
	70,738	1,732,470	(2,133,953)	290,745	17,000	(23,000)
RESTRICTED FIXED ASSET FUNDS						
Restricted assets donated from sponsor	13,711,820	9,281,674	(745,158)	-	-	22,248,336
Total restricted funds	13,782,558	11,014,144	(2,879,111)	290,745	17,000	22,225,336
Total of funds	13,782,558	11,453,454	(3,023,945)	-	17,000	22,229,067

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

Project Development Grant - This is the Department for Education Project Development grant delegated to the Trust on successful application to the Free School programme. Allocated in 4 tranches in the pre-opening phase on successful achievement of milestones.

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

Start Up Grant - Income from the ESFA which is to be used to fund the additional costs incurred in opening a new academy.

Other DfE, ESFA and Government Grants include: Free meals in FE funding for disadvantaged pupils, rates relief and high needs funding from the ESFA and local authority along with grant funding from Sport England.

Pension reserve – This represents the trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed assets donated from sponsor – This represents the buildings and equipment donated to the Trust from Truro and Penwith College.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
RESTRICTED FUNDS						
Project Development Grant	135,518	100,000	(164,780)	-	-	70,738
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Asset Funds	-	13,711,820	-	-	-	13,711,820
Total of funds	135,518	13,811,820	(164,780)	-	-	13,782,558

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	22,248,336	22,248,336
Current assets	8,881	605,899	-	614,580
Creditors due within one year	(4,950)	(605,899)	-	(610,849)
Pension scheme liability	-	(23,000)	-	(23,000)
	3,731	(23,000)	22,248,336	22,229,067

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	13,711,820	13,711,820
Current assets	-	351,403	-	351,403
Creditors due within one year	-	(280,665)	-	(280,665)
	-	70,738	13,711,820	13,782,558

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	8,429,509	13,647,040
Adjustment for:		
Depreciation charges	745,158	-
Increase in debtors	(275,081)	(118,058)
Increase in creditors	330,183	266,184
Capital grants from DfE and other capital income	(9,281,674)	(13,711,820)
Defined benefit pension scheme cost less contributions payable	(52,000)	-
Defined benefit pension scheme finance cost	92,000	-
Net cash (used in)/provided by operating activities	(11,905)	83,346

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	221,441	233,346
	221,441	233,346

20. PENSION COMMITMENTS

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

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

Contributions amounting to £18,403 were payable to the schemes at 31 August 2018 (2017: nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014

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

20. PENSION COMMITMENTS (continued)

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

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

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

The employer's pension costs paid to TPS in the period amounted to £95,328 (2017: £NIL).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £65,859 (2017: £NIL), of which employer's contributions totalled £52,123 (2017: £NIL) and employees' contributions totalled £13,735 (2017: £NIL). The agreed contribution rates for future years are % for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	- %
Rate of increase in salaries	2.40 %	- %
Inflation assumption (CPI)	2.30 %	- %

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

20. PENSION COMMITMENTS (continued)

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

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

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	33,320	-
Bonds	29,240	-
Property	4,760	-
Cash and other liquid assets	680	-
	<hr/>	<hr/>
Total market value of assets	68,000	-
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £1,000 (2017: £NIL).

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

	2018 £	2017 £
Current service cost	(92,000)	-
Interest income	1,000	-
Interest cost	(1,000)	-
	<hr/>	<hr/>
Total	(92,000)	-
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	1,000	-
	<hr/> <hr/>	<hr/> <hr/>

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

20. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	92,000	-
Interest cost	1,000	-
Employee contributions	14,000	-
Actuarial gains	(16,000)	-
	<u>91,000</u>	<u>-</u>
Closing defined benefit obligation	<u>91,000</u>	<u>-</u>

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

	2018 £	2017 £
Interest income	1,000	-
Actuarial losses	1,000	-
Employer contributions	52,000	-
Employee contributions	14,000	-
	<u>68,000</u>	<u>-</u>
Closing fair value of scheme assets	<u>68,000</u>	<u>-</u>

21. MEMBERS' LIABILITY

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

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

23. AGENCY ARRANGEMENTS

The Academy Trust distributes bursary funds to students as an agent for ESFA. In the year ending 31 August 2018 the Trust received £48,710 (2017: £NIL) and disbursed £68,559 (2017: £NIL) from the fund.

24. TRURO AND PENWITH COLLEGE

Truro and Penwith College is the sponsor for Callywith College Trust. The College has been instrumental in setting up Callywith College Trust. All of the support provided to the Trust by the College is at arm's length and in accordance with the College's financial procedures. During the year ending 31 August 2018 the College incurred costs on behalf of the Trust totalling £1,157,059 (2017: £1,197,809), including curriculum equipment costs. At the year-end £412,018 (2017: £248,508) was due to Truro and Penwith College from the Academy Trust.