

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



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

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CALLYWITH COLLEGE TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Peter Cloke Mrs Gail Hunt Dr Elizabeth Sheridan Mr David Alan John Walrond Mrs Margaret Ellen Winser
Trustees	Mr Jonathan Burnett, Vice Chair Mr Michael John Davis Mrs Susan Jane Dickinson (resigned 9 March 2019) Dr Claire Gray Mr Thomas Paul Reed Mrs Debra Tarrant Dr Jonathan Grey, Principal (appointed 5 September 2019) Mr Christopher Sidney Twigg Mr Philip Richard Ugalde Mr Philip John Waller Mr David Alan John Walrond, Chair Mr Mark James Wardle, Principal (resigned 20 September 2019)

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 - Resigned 5 September 2019 Dr Jonathan Grey - Appointed 5 September 2019
Senior management team	Mr Mark James Wardle, Principal - resigned 5 September 2019 Dr Jonathan Grey, Assistant Principal - to 4 September 2019 Principal - from 5 September 2019 Ms Lucy Maggs, Assistant Principal Ms Rae Loom, Business Manager

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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

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 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 781 in the ILR (Individualised Learner Record) in November 2018. Numbers are continuing to increase with 1100 students enrolled in 2019/20.

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 the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
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	-	%
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CALLYWITH COLLEGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Trustees' Indemnities

Trustees benefit 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 is £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
- up to 4 Trustees appointed by the sponsor
- the Principal, providing he agrees so to act as a Trustee, who is appointed by the members

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 consider 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 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.

CALLYWITH COLLEGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 using 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 comprised 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. The pay of key management personnel is reviewed annually.

Connected Organisations, including Related Party Relationships

Callywith College Trust is sponsored by Truro and Penwith College in accordance with a Memorandum of Understanding agreed by the Department of Education. 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.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The aims of the Trust during 2018-19 are summarised below:

- Address the clearly identified and very significant post-16 academic and vocational educational under performance 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 and West Devon, 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 4 years of opening, one year earlier than originally anticipated
- 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.

Callywith College also provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and in the interest of improving the life of said community.

STRATEGIC REPORT

Achievements and Performance

The Trust in its second year of operation has exceeded the DfE's estimated student numbers, recruiting 781 students instead of 596. The Trust anticipates that the PAN (Pupil Admission Numbers) of 1280 will be reached by 2020, with 1100 students for 2019/20, and then full capacity in the year 2020/21.

The college's first set of full results are outstanding and reflect the hard work and dedication of students and staff over the past two years. The global data pattern shows high retention and pass rates which generate very high qualification achievement rates with very good value added. The first-year cohort have also broadly outperformed our first intake students, and as such are in an incredibly strong position to generate even better results in 2020.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

1. A Levels

- Retention Rate 99.8% (national 87.6%)
- Pass Rate 100% (national 97.7%)
- Qualification Achievement Rate 99.6% (national QAR 85.7%)
- High Grades A*-B 55% (national 51%)
- ALPs 3 (Excellent progress in top 25% Nationally)
- All 28 A-level courses are above national average for QAR by an average of 12.4%

Targets and Performance Indicators for AS Levels

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

A Levels	National Rate	Targets	Actuals
Qualification Achievement Rate	85.7%	90%	99.6%
High grades (A* - B)	51%	55%	55%
Value Added		ALPS 4	ALPS 3

2. AS Levels

- Retention rate 99.1% (national 85.5%): an increase of 0.8% from 2018
- Pass rate 94% (national 86.3%): an increase of 4.4% from 2018
- Qualification Achievement rate 92% (national 86.0%): an increase of 3.9% from 2018
- High Grades A-B 44% (national 37.4%): an increase of 6.5% from 2018
- ALPs 3 (Excellent progress in top 25% Nationally): an increase from ALPs 4 in 2018
- 26/29 AS courses are above national average for QAR by an average of 13.5%: 23/28 in 2018

Targets and Performance Indicators for AS Levels

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

AS	National Rate	Targets	Actuals
Qualification Achievement Rate	86%	90%	92%
High grades (A-B)	37.4%	41%	44%
Value Added		ALPS 4	ALPS 3

3. Level 3 Vocational Extended Diploma

- Retention Rate 99.1% (national 91.6%)
- Pass rate 100% (national 95.2%)
- Qualification Achievement Rate 99.1% (national QAR 87.2%)
- BTEC
 - 81.1% Achieved Merit or higher (national 77.8% - Pearson 2017/18 data)
- UAL
 - 78.9% Achieved Merit or higher
- ALPs 2 or 1 on all UAL courses (Outstanding progress in top 10% Nationally)

Targets and Performance Indicators for Level 3 Vocational Extended Diploma Courses

Performance on vocational qualifications is very good. The % of students achieving their qualification is above the national average.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Level 3 Vocational (Extended Diploma)	National Rate	Targets	Actuals
Qualification Achievement Rate BTEC	77.8%	81%	81.8%
Qualification Achievement Rate UAL	N/A		78.9%
Value Added			ALPS 2 or 1

4. Level 3 Vocational Foundation Diploma(s)

- Retention Rate 98.2% (national 90.2%): an increase of 1% on 2018
- Pass rate 98.4% (national 90.9%): an increase of 1.3% on 2018
- Qualification Achievement Rate 95.9% (national QAR 82.8%): an increase of 1.5% on 2018
- BTEC
 - o 60.7% Achieved Merit or higher (national 59.9%)
 - o 25.4% Achieved Distinction or higher (national 23.3%)
- UAL
 - o 78.9% Achieved Merit or higher
 - o ALPs 2 or 1 on all UAL courses (Outstanding progress in top 10% Nationally)

Targets and Performance Indicators for Level 3 Vocational Foundation Diploma Courses

Level 3 Vocational (Foundation Diploma)	National Rate	Targets	Actuals
Quality Achievement Rate	82.8%	87%	95.9%
BTEC Merit or Higher	59.9%	60%	60.7%
BTEC High Grades (Distinction or higher)	23.3%	25%	25.4%
UAL Merit or Higher			78.9%

5. 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:

- 98.7% Retention Rate (national 91.9%): an increase of 2.1% on 2018
- 90.0 % Pass Rate (national 89.6%): an increase of 0.7% on 2018
- 91.5% Qualification Achievement Rate (national 82.4%): an increase of 5.3% on 2018

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)	National Rate	Targets	Actuals
Qualification Achievement Rate	82.4%	86%	91.5%
Pass Rate	89.6%	89.5%	90.0%

6. 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:

- GCSE English grade 4+ Pass Rate of 48.7% (18.4% above national average)
- GCSE Maths grade 4+ Pass Rate of 26.8%, (5.7% above national average)
- Estimate 16-18 Progress on GCSE English: 0.87 (national average -0.02)
- Estimate 16-18 progress on GCSE Maths: 0.60 (national average 0.00)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Targets and Performance Indicators for GCSE English and Maths

Performance on GCSE English is significantly above national average and the college target.

GCSE	National Rate	Targets	Actuals
English 4 and above	30.3%	34%	48.7%
Maths 4 and above	21.1%	25%	26.8%

Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2018/19 were 781, an increase of 185 over the anticipated student numbers by the DfE, with 1100 being recruited for 2019/20. It is anticipated that this number will continue to rise, until we reach our allocated PAN.

Another key financial performance indicator is staffing costs as a percentage of GAG (General Annual Grant). For 2018/19 this was 74%, an improvement of 17% on 17/18.

	Target for 18/19	Long Term	Performance 18/19
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	96%
Total Staffing as a percentage of total college income	90%	70%	74%
Retained surplus/income	0%	2%	5%
Current ratio (i.e. ratio of current assets to liabilities at year end)	1.0	2.0	1.26
Cash days in hand at year end	30	45	80

Recruitment measures

	Target for 18/19	Performance
Recruitment of our target number of students each year	100% against PAN	781, +185 on PAN
Delivery of curriculum plan	90% of subjects offered to be delivered	98% of courses were delivered (only one course did not run)

Teaching and Learning measures

	Targets 18/19	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	99.1% 96%
In-year retention rate for all students	93%	99.1%
Attendance	90%	93%

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 Statement of Accounting Policies.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2019, the Academy received total income of £4,156,727 (excluding restricted fixed assets funds) and incurred total expenditure of £3,979,871. The excess of income over expenditure for the year was £158,662 after transfers.

At 31 August 2019 the net book value of fixed assets was £21,977,344 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 consider the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. The Trust anticipates that a figure based around 45 cash days is a reasonable reserve amount, £700,000. While the College is growing it is not yet in a position to meet this level of reserves, but anticipated future growth will help the Trust to achieve this.

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 will be 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 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:

- Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 91% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees,

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

ensure that student success and achievement are closely monitored and reviewed.

- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- The Trust has agreed a Risk Management Strategy, and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.
- The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented several systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.
- Whilst the Trust continues to increase its student numbers, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.
- The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.
- At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.
- The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust can meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The college is working towards recruiting 1280 students within 4 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. Numbers are continuing to exceed growth expectations with 1100 students enrolled in 2019/20.

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.

**CALLYWITH COLLEGE TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors


The auditors, Bishop Fleming LLP, 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 10.12.19 and signed on its behalf by:

Mr David Alan John Walrond
Chair of Trustees



Dr Jonathan Grey
Accounting Officer



**CALLYWITH COLLEGE TRUST
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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.

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities and in the Statement of Trustees' responsibilities. The board of Trustees and its committees 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	4	8
Mr Michael John Davis	5	7
Mrs Susan Jane Dickinson ** resigned 9 March 2019	0	4
Dr Claire Gray	5	7
Mr Thomas Paul Reed	8	8
Mrs Debra Tarrant	4	7
Mr Christopher Sidney Twigg	6	7
Mr Philip Richard Ugalde	4	8
Mr Philip John Waller	6	7
Mr David Alan John Walrond, Chair	8	10
Mr Mark James Wardle, Principal	9	10

** During the year one Trustee resigned from the committee due to ill health.

The overall attendance rate for trustees was 71%. Following a self-assessment process, the Board concluded that the Trust has effective governance structures and processes; the Board is clear about its role and remit; trustees ensure the Board discharges responsibilities effectively and has a positive impact on outcomes for learners.

The Finance, Employment and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer/internal auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. During the year one trustee resigned from the committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Alan John Walrond	1	3
Mrs Susan Jane Dickinson **	0	3
Mr Thomas Paul Reed (Chair)	3	3
Mr Mark James Wardle	2	3
Ms Claire Gray	2	3
Mr Philip Ugalde	1	3

**CALLYWITH COLLEGE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Teaching, Learning and Student Experience Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor teaching, learning and student experience, including curriculum, target setting and assessment, examinations and all pastoral issues including safeguarding.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Mark James Wardle	3	3
Mr Jonathan Burnett (Chair)	1	3
Mr Michael Davis	1	3
Mr Debra Tarrant	1	3
Mr Christopher Twigg	2	3
Mr Philip Waller	3	3
Mr David Walrond	3	3

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:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar FE settings.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of learning to enable students to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- 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 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 Callywith College Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

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 2018 to 31 August 2019 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. It includes:

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint TIAA as internal auditor.

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

The checks carried out in the current period included:

- Term 1 – Review the key financial controls regarding payments, invoices, petty cash, use of credit card and compliance with financial procedures
- Term 2 – review capital spend, income and grants, management accounting and nominal ledger for compliance with financial procedures
- Term 3 – review the key financial controls regarding payroll, BACS payments, HR recruitment and compliance with financial procedures.

The internal audit report is shared with the Board of Trustees, through the Finance and Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As accounting officer, the 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 auditors;
- 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 Board of Trustees and a plan to ensure continuous improvement of the system is in place.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr David Alan John Walrond
Chair of Trustees
Date: 10.12.19



Dr Jonathan Grey
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 2018.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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.



Dr Jonathan Grey
Accounting Officer

Date: 10.12.15

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 & 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 2018 to 2019;
- 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.

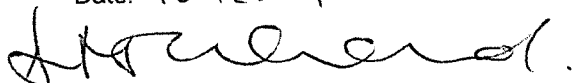
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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: 10.12.19



**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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2018 to 2019 issued by the Education & 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.

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

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

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report 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 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.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, 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 charitable 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 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 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: 18/12/19

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

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

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 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 noncompliance. This work was integrated with our audit on the financial statements where appropriate and included 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 & 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 2018 to 31 August 2019 has 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

Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Date: 18/12/19

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	-	-	468,944	468,944	9,557,895
Charitable activities	4	284,385	3,793,240	-	4,077,625	1,920,027
Other trading activities	5	79,102	-	-	79,102	29,265
TOTAL INCOME		363,487	3,793,240	468,944	4,625,671	11,507,187
EXPENDITURE ON:						
Charitable activities		4,066	3,975,805	760,200	4,740,071	3,077,678
TOTAL EXPENDITURE		4,066	3,975,805	760,200	4,740,071	3,077,678
NET INCOME/ (EXPENDITURE)		359,421	(182,565)	(291,256)	(114,400)	8,429,509
Transfers between funds	16	(283,920)	265,726	18,194	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		75,501	83,161	(273,062)	(114,400)	8,429,509
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	22	-	(72,000)	-	(72,000)	17,000
NET MOVEMENT IN FUNDS		75,501	11,161	(273,062)	(186,400)	8,446,509
RECONCILIATION OF FUNDS:						
Total funds brought forward		3,731	(23,000)	22,248,336	22,229,067	13,782,558
Net movement in funds		75,501	11,161	(273,062)	(186,400)	8,446,509
TOTAL FUNDS CARRIED FORWARD		79,232	(11,839)	21,975,274	22,042,667	22,229,067

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	12	21,977,344	22,248,336
		21,977,344	22,248,336
CURRENT ASSETS			
Debtors	13	458,709	393,139
Cash at bank and in hand		916,292	221,441
		1,375,001	614,580
Creditors: amounts falling due within one year	14	(1,178,678)	(610,849)
NET CURRENT ASSETS		196,323	3,731
TOTAL ASSETS LESS CURRENT LIABILITIES		22,173,667	22,252,067
NET ASSETS EXCLUDING PENSION LIABILITY		22,173,667	22,252,067
Defined benefit pension scheme liability	22	(131,000)	(23,000)
TOTAL NET ASSETS		22,042,667	22,229,067
FUNDS OF THE TRUST			
Restricted funds:			
Fixed asset funds	16	21,975,274	22,248,336
Restricted income funds	16	119,161	-
Restricted funds excluding pension liability	16	22,094,435	22,248,336
Pension reserve	16	(131,000)	(23,000)
Total restricted funds	16	21,963,435	22,225,336
Unrestricted income funds	16	79,232	3,731
TOTAL FUNDS		22,042,667	22,229,067

The financial statements on pages 25 to 48 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

Mr David Alan John Walrond
Chair of Trustees
Date: 10.12.19

Dr Jonathan Grey
Accounting Officer

The notes on pages 28 to 48 form part of these financial statements.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	18	715,115	(11,905)
CASH FLOWS FROM INVESTING ACTIVITIES	20	409,233	9,281,674
CASH FLOWS FROM FINANCING ACTIVITIES	19	(429,497)	(9,281,674)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		694,851	(11,905)
Cash and cash equivalents at the beginning of the year		221,441	233,346
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21	916,292	221,441

The notes on pages 28 to 48 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Callywith College Trust meets the definition of a public benefit entity under 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 2019

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the 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.

- **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 Trust has provided the goods or services.

- **Donated fixed assets (excluding transfers on conversion or into the Trust)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.5 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 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.

1.6 TANGIBLE FIXED ASSETS

Assets costing £1,000 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% and 10% straight line
Curriculum equipment	- 33%, 20% and 12.5% straight line
Motor vehicles	- 20% 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.

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.9 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 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.

1.10 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 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 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 cost 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.

1.11 PENSIONS

Retirement benefits to employees of the 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 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 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.

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FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.12 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 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.

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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Assets transferred from sponsor	-	429,497	429,497	9,281,674
Capital Grants	-	39,447	39,447	-
Government grants	-	-	-	276,221
	-	468,944	468,944	9,557,895
TOTAL 2018	276,221	9,281,674	9,557,895	

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4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	3,586,204	3,586,204	1,638,043
Other DfE Group grants	-	69,047	69,047	53,342
	-	-	3,655,251	1,691,385
Other Government grants				
High Needs and Bursary funding	-	137,989	137,989	80,454
Other Government grants	-	-	-	9,341
	-	-	137,989	89,795
Other funding				
Sales to students	284,385	-	284,385	138,847
	284,385	3,793,240	4,077,625	1,920,027
TOTAL 2018	138,847	1,781,180	1,920,027	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	29,165	29,165	21,050
Other grants	14,077	14,077	1,060
Other income	35,860	35,860	7,155
	79,102	79,102	29,265

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FOR THE YEAR ENDED 31 AUGUST 2019

6. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	2,097,524	760,200	258,368	3,116,092	1,902,306
Allocated support costs	400,250	-	1,223,729	1,623,979	1,175,372
TOTAL 2019	2,497,774	760,200	1,482,097	4,740,071	3,077,678
TOTAL 2018	1,304,862	-	1,772,816	3,077,678	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	3,116,092	1,623,979	4,740,071	3,077,678
TOTAL 2018	1,902,306	1,175,372	3,077,678	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	366	366	-
Staff costs	2,098,158	2,098,158	1,024,561
Depreciation	760,200	760,200	745,158
Educational supplies	57,440	57,440	57,726
Exam expenses	157,718	157,718	69,041
Other costs	32,015	32,015	5,770
Teaching supply costs	4,077	4,077	-
Educational consultancy	6,118	6,118	50
	3,116,092	3,116,092	1,902,306

Analysis of support costs

	Education 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	634	634	-
Staff costs	399,616	399,616	280,301
Recruitment and support	16,289	16,289	12,061
Maintenance of premises and equipment	90,873	90,873	259,788
Cleaning	22,903	22,903	16,637
Rent and rates	54,364	54,364	56,512
Energy costs	90,983	90,983	83,279
Insurance	16,768	16,768	9,132
Security and transport	849,640	849,640	399,452
Catering	14,644	14,644	7,906
Technology costs	24,658	24,658	19,953
Office overheads	25,168	25,168	19,843
Legal and professional	12,163	12,163	7,338
Bank interest and charges	1,523	1,523	333
Computer consumables	3,753	3,753	2,837
	1,623,979	1,623,979	1,175,372

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FOR THE YEAR ENDED 31 AUGUST 2019

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	760,200	745,158
Fees paid to auditors for:		
- audit	3,950	2,500
- other services	4,000	2,450
	<u>768,150</u>	<u>749,108</u>

9. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,032,979	1,029,671
Social security costs	153,748	87,985
Pension costs	311,047	187,206
	<u>2,497,774</u>	<u>1,304,862</u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Management	4	3
Teachers	56	29
Support and Administration	30	24
	<u>90</u>	<u>56</u>

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9. STAFF COSTS (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Management	4	3
Teachers	39	33
Support and Administration	22	18
	<u>65</u>	<u>54</u>

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £90,001 - £100,000	<u>1</u>	<u>-</u>

d. 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. 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 £253,890 (2018: £171,522).

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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:

During the year ended 31 August 2019, travel expenses totalling £447 were reimbursed or paid directly to 2 Trustees (2018 - £529 to 3 Trustees).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. TANGIBLE FIXED ASSETS

	Long term Leasehold property £	Curriculum equipment £	Motor vehicles £	Total £
COST OR VALUATION				
At 1 September 2018	21,921,241	1,035,748	36,505	22,993,494
Additions	424,240	64,968	-	489,208
At 31 August 2019	22,345,481	1,100,716	36,505	23,482,702
DEPRECIATION				
At 1 September 2018	438,506	299,351	7,301	745,158
Charge for the year	450,630	302,269	7,301	760,200
At 31 August 2019	889,136	601,620	14,602	1,505,358
NET BOOK VALUE				
At 31 August 2019	21,456,345	499,096	21,903	21,977,344
At 31 August 2018	21,482,735	736,397	29,204	22,248,336

13. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	5,657	3,722
Other debtors	38,667	44,311
Prepayments and accrued income	378,138	305,318
Tax recoverable	36,247	39,788
	458,709	393,139

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14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	442,060	23,418
Other taxation and social security	42,598	19,648
Pension payable	31,550	18,404
Other creditors	472,345	427,743
Accruals and deferred income	190,125	121,636
	<u>1,178,678</u>	<u>610,849</u>

	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September 2018	56,041	29,658
Resources deferred during the year	159,620	56,041
Amounts released from previous periods	(56,041)	(29,658)
	<u>159,620</u>	<u>56,041</u>

15. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	916,292	221,441
Financial assets that are debt instruments measured at amortised cost	44,324	48,033
	<u>960,616</u>	<u>269,474</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(944,910)	(516,756)

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	3,731	363,487	(4,066)	(283,920)	-	79,232
RESTRICTED GENERAL FUNDS						
GAG 16-19 Allocation	-	3,586,204	(3,740,812)	265,726	-	111,118
16-19 Bursary used for Transport	-	82,606	(82,606)	-	-	-
Higher Needs Funding	-	43,383	(43,383)	-	-	-
Other DfE, ESFA and Government Grants	-	37,011	(28,968)	-	-	8,043
Rates Relief	-	44,036	(44,036)	-	-	-
Pension reserve	(23,000)	-	(36,000)	-	(72,000)	(131,000)
	<u>(23,000)</u>	<u>3,793,240</u>	<u>(3,975,805)</u>	<u>265,726</u>	<u>(72,000)</u>	<u>(11,839)</u>
RESTRICTED FIXED ASSET FUNDS						
Restricted assets donated by sponsor	22,248,336	429,497	(760,200)	57,641	-	21,975,274
Devolved Formula Capital	-	39,447	-	(39,447)	-	-
	<u>22,248,336</u>	<u>468,944</u>	<u>(760,200)</u>	<u>18,194</u>	<u>-</u>	<u>21,975,274</u>
TOTAL RESTRICTED FUNDS	<u>22,225,336</u>	<u>4,262,184</u>	<u>(4,736,005)</u>	<u>283,920</u>	<u>(72,000)</u>	<u>21,963,435</u>
TOTAL FUNDS	<u><u>22,229,067</u></u>	<u><u>4,625,671</u></u>	<u><u>(4,740,071)</u></u>	<u><u>-</u></u>	<u><u>(72,000)</u></u>	<u><u>22,042,667</u></u>

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

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16. STATEMENT OF FUNDS (CONTINUED)

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.

Post Opening Grant - Income from the ESFA used to fund the additional costs incurred post opening a new academy.

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

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

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.

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.

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

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

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Revenue funds carried forward	198,393	3,731
Restricted fixed asset fund	21,975,274	22,248,336
Pension reserve	(131,000)	(23,000)
TOTAL	22,042,667	22,229,067

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	-	439,310	(144,834)	(290,745)	-	3,731
RESTRICTED GENERAL FUNDS						
Project Development Grant	70,738	-	(70,738)	-	-	-
GAG 16-19 Allocation	-	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 by 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 FUNDS	13,782,558	11,453,454	(3,023,945)	-	17,000	22,229,067

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	(429,497)	-	22,406,841	21,977,344
Current assets	79,232	1,238,128	57,641	1,375,001
Creditors due within one year	429,497	(1,118,967)	(489,208)	(1,178,678)
Provisions for liabilities and charges	-	(131,000)	-	(131,000)
TOTAL	79,232	(11,839)	21,975,274	22,042,667

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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	8,681	605,899	-	614,580
Creditors due within one year	(4,950)	(605,899)	-	(610,849)
Provisions for liabilities and charges	-	(23,000)	-	(23,000)
TOTAL	3,731	(23,000)	22,248,336	22,229,067

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18. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(114,400)	8,429,509
ADJUSTMENTS FOR:		
Depreciation	760,200	745,158
Capital grants from DfE and other capital income	(468,944)	(9,281,674)
Defined benefit pension scheme cost less contributions payable	32,000	(52,000)
Defined benefit pension scheme finance cost	4,000	92,000
Increase in debtors	(65,570)	(275,081)
Increase in creditors	567,829	330,183
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	715,115	(11,905)

19. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Capital funding received from sponsors	(429,497)	(9,281,674)
NET CASH USED IN FINANCING ACTIVITIES	(429,497)	(9,281,674)

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Capital funding received from sponsors	429,497	9,281,674
Capital grants from DfE Group	39,447	-
Assets funded from GAG	(59,711)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	409,233	9,281,674

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	916,292	221,441
TOTAL CASH AND CASH EQUIVALENTS	916,292	221,441

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teachers' 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 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 £31,550 were payable to the schemes at 31 August 2019 (2018 - £18,404) and are included within creditors.

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 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% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

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22. PENSION COMMITMENTS (CONTINUED)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £198,345 (2018 - £95,328).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £96,892 (2018 - £65,859), of which employer's contributions totalled £77,677 (2018 - £52,123) and employees' contributions totalled £ 19,215 (2018 - £13,735). The agreed contribution rates for future years are 22.4% for 2019/20 then 16.7% 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

	2019 %	2018 %
Rate of increase in salaries	2.4	2.4
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
<i>RETIRING TODAY</i>		
Males	21.1	22.1
Females	23.6	24.5
<i>RETIRING IN 20 YEARS</i>		
Males	22.3	24
Females	25	26.4

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (CONTINUED)

Sensitivity analysis

	2019	2018
	£000	£000
0.5% decrease in Real Discount Rate	70	-
0.5% increase in the Pension Increase Rate (CPI)	70	-

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	95,400	33,320
Corporate Bonds	70,200	29,240
Property	12,600	4,760
Cash and other liquid assets	1,800	680
TOTAL MARKET VALUE OF ASSETS	180,000	68,000

The actual return on scheme assets was £15,000 (2018 - £2,000).

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

	2019	2018
	£	£
Current service costs	(113,000)	(92,000)
Interest income	3,000	1,000
Interest cost	(4,000)	(1,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(114,000)	(92,000)

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

	2019	2018
	£	£
AT 1 SEPTEMBER	91,000	-
Current service cost	113,000	92,000
Interest cost	4,000	1,000
Employee contributions	19,000	14,000
Actuarial losses/(gains)	84,000	(16,000)
AT 31 AUGUST	311,000	91,000

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
AT 1 SEPTEMBER	68,000	-
Interest income	3,000	1,000
Actuarial gains	12,000	1,000
Employer contributions	78,000	52,000
Employee contributions	19,000	14,000
AT 31 AUGUST	180,000	68,000

23. 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.

24. RELATED PARTY TRANSACTIONS

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

25. TRURO AND PENWITH COLLEGE

Truro and Penwith College (the College) is the sponsor for Callywith College Trust (the 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 ended 31 August 2019 the College incurred costs on behalf of the Trust totalling £945,478 (2018: £1,157,059), including building and curriculum equipment costs. At the year end £462,290 (2018: £412,018) was due to Truro and Penwith College.