

Registration number: 09802491

Callywith College Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

Westcotts (SW) LLP
Plym House
3 Longbridge Road
Marsh Mills
Plymouth
Devon
PL6 8LT

Callywith College Trust

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Reference and administrative details

Members	Mrs G Hunt Mr D A J Walrond Mr R Townsend Mr M Tucker Mr P Cloke (Resigned 19 May 2023)
Trustees	Mr J Burnett, Vice Chair Prof A D Phippen Ms S Wright (resigned 8 November 2023) Mrs J A Proctor Mrs N Hughes Mrs L Gilbert (appointed 27 June 2023) Mr T P Reed Ms T Roose (resigned 20 March 2023) Mr T W Woodley (resigned 2 November 2022) Mr D A J Walrond, Chair Mr C S Twigg Dr C Gray Mr M J Davis Dr J Grey Mr M E H Arnold (appointed 3 October 2023)
Company Secretary	Mrs A J Winter
Principal and Accounting Officer	Dr J Grey
Senior Management Team	Dr Jonathan Grey, Principal Ms Rae Loom, Business Manager Ms Jen Temple, Assistant Principal Mr Allyn Jeffries, Assistant Principal
Principal and Registered Office	Callywith College Old Callywith Road Bodmin PL31 2GT
Company Registration Number	09802491

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Reference and administrative details (continued)

Auditors	Westcotts (SW) LLP Plym House 3 Longbridge Road Marsh Mills Plymouth Devon PL6 8LT
Bankers	HSBC 17 Delamore Park Ivybridge Devon PL21 9QP
Solicitors	PHP Law LLP 6 Delamore Park Ivybridge Devon PL21 9QP

Callywith College Trust

Trustees' report for the Year Ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Trust operates an academy for pupils aged 16 to 19 in Cornwall. It had an initial pupil capacity of 1280 and a roll of 1436 in the ILR (Individualised Learner Record) in November 2022.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 09802491.

The governors act as the trustees for the charitable activities of Callywith College Trust and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

Trustees benefitted from indemnity insurance purchased at the Trust's expense (the Department of Education's Risk Protection Arrangement) to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £10,000,000.

Callywith College Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

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 6 other Trustees.

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

- 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
- the Trustees may also appoint co-opted Trustees

Trustees are ordinarily appointed by 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.

Callywith College Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

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 minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 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.
- Performance and Remuneration Committee - this meets once a year to discuss Senior Management Team remuneration.
- Search and Governance Committee meets twice a year and was set up to advise the Board on Trustee appointments and the membership of committees as well as deal with governance issues and monitor the effectiveness of governance arrangements.

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 comprises of the Principal, the Business Manager, and 2 Assistant Principals. 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 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.

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Trustees' report for the Year Ended 31 August 2023 (continued)

Trade union facility time

Employees in the organisation	Within the banding 50 to 1,500 employees
Number of trade union representatives	Headcount: 2 FTE: 1.2
Percentage of working hours spent on facility time by the differing representatives	Less than 1% of working time: 0 1 to 50% of working time: 2 51 to 99% of working time: 0 100% of working time: 0
Total pay bill and facility time costs	Total pay bill: £5,560,699 Total cost of facility time: £1790.18
Hours spent on paid facility time	38 hours each per year, total 76 hours
Hours spend on paid trade union activities	210 hours
Percentage of total paid facility time hours spend on paid TU activities	9%

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.

Callywith College Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

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.

Callywith College's vision is to make a major contribution to the revitalisation of the local area through the delivery of a high-quality post-16 educational experience, addressing significant educational underperformance in the area. This will then improve the life chances of thousands of Cornish young people.

The vision will be delivered by:

- 1) Addressing 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).
- 2) 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.
- 3) 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.
- 4) Revitalise Bodmin and other communities in North and East Cornwall, supporting strong aspirations to enhance the skills and attainment of local people, and to develop a genuine hub for economic growth within Cornwall.

Objectives, strategies and activities

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

- Maintain the ongoing recruitment of 1550 students
- Maintain outstanding Ofsted inspection status
- Provide outstanding teaching, learning and assessment
- Provide outstanding support to students
- Promote Equality, Diversity and Inclusion
- Recruit, motivate and support high quality staff
- Ensure and maintain 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

Callywith College Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

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

Whole College

- Mean Retention Rate (one year whole student) 93.8% (95.1% 21/22, 94.9% 20/21)
- Mean Pass Rate 97.3% (97.9% 21/22, 99.9% 20/21)
- Mean Qualification Achievement Rate 91.3% (93.1% 21/22, 94.9% 20/21, 99.3%)

• A-levels

- o A2 (1 year) 96.6% Retention: (96.9% 21/22, 96.4% 20/21)
- o A2 Pass Rate 98.6%
- o 56% A-level entries passed with the higher grades of A* - B (72% 21/22, National 53%)
- o 100% pass rate achieved in 26/31 A Level subjects (28 out of 30 in 21/22)

• Level 3 BTEC Extended Diplomas & UAL Diplomas

- o 96.6% Qualification Achievement Rate: (93.5% 21/22, 99.6% 20/21)
- o 97.4% Retention (96% 21/22, 100% 20/21)
- o 100% pass rate on 10/12 Level 3 BTEC Extended Diplomas/ UAL Diplomas (8 out of 12 21/22)
- o 95 (45%) students achieved Triple Distinction/Distinction or better (104 (42%) 21/22, 121 (46%) in 20/21)

• Level 2 Vocational

- o 85% Retention Rate (84% 21/22, 93.7% 20/21)
- o 91% Pass Rate (95% 21/22, 98% 20/21)
- o 77% Qualification Achievement Rate (80% 21/22, 95% 20/21)

• GCSE

- o GCSE English grade 4+ Pass Rate of 42% (64% 21/22, 20/21 60.0%, National 22/23 28%)
- o GCSE Maths (165 students) grade 4+ Pass Rate of 22% (25% 21/22, 20/21 39.0%, National 22/23: 18%)

Nb. GCSE outcomes are annual and combine November and June series

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2022/23 were 1436, a significant increase on the previous year's 1198. Another key financial performance indicator is staffing costs as a percentage of GAG (core income). For 2022/23 this was 76% compared to 2021/2022's 82%.

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Trustees' report for the Year Ended 31 August 2023 (continued)

	Performance 21/22	Target for 22/23	Long Term	22/23
Achievement of core funding	100%	100%	96%	100%
Student enrolment against target	93.5%	100%	100%	100%
Total staffing as % of core income	82%	78%	75%	76%
Total staffing as % of total college income	65%	65%	65%	64%
Retained surplus / income	16%	10%	5%	3%
Current ratio (ie, ratio of current assets to liabilities at year end)	2.2	2.0	2.0	2.2
Cash days in hand at year end	78	30	30	53

Recruitment measures

	Target for 22/23	Performance 22/23
Recruitment of our target number of students each year.	1280 students	1436 students
Delivery of curriculum plan	90% of subjects offered to be delivered	96.5% of courses were delivered

Teaching and Learning measures

	Targets 22/23	Performance
Teaching, learning and assessment to be Outstanding or Good	100% of lesson observations 95% of student surveys identified TLA as good or better	100% 96.1%
In year retention rate for all students	93%	95.1%
Attendance	90%	87.6%

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

Callywith College Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Financial review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2023, the Academy received total income of £8,696,160 (2022: £6,902,930) and incurred total expenditure of £9,100,584 (2022: £7,955,073). The excess of expenditure over income for the year was £404,424 (2022: £1,052,143). Excluding the fixed asset fund movement (deducting capital grants of £95,064 and adding back depreciation of £665,620 and adding back the LGPS pension charges of £72,000, the net surplus on revenue funds was £238,132 (2022: £38,039).

On 31 August 2023 the net book value of fixed assets was £20,190,386 and movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Key financials policies adopted or reviewed during the year include updates to the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Board, Principal, PTLs and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

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 of the Trust, the uncertainty over income streams and other key risks identified during the risk review. The Trust anticipates that a figure between 10-14% of GAG funds, based around 30 cash days is a reasonable reserve amount, therefore reserves of approximately £901,604. For the year ending 31st August 2023 the trust has over-achieved on this target and has £1,106,520 in free reserves (GAG and unrestricted funds). These additional funds will be utilised in future periods, providing funds for the Trust to invest in future growth.

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

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.

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Trustees' report for the Year Ended 31 August 2023 (continued)

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. The majority of Trust's incoming resources were ultimately Government funded and whilst this high level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Trust has re-appointed an internal audit firm 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, including 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 high costs of the current situation and its effect on the Government's 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 21 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.

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Trustees' report for the Year Ended 31 August 2023 (continued)

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The environment in which the college opened and operates in continues to change dramatically. Very significant historical cuts in funding and shifting funding priorities and mechanisms, new legislation, intense activity in education policymaking, complex curriculum developments, emerging opportunities, and a wide range of initiatives locally and nationally, all pose new challenges. The combination of these challenges with the still present impact on education (and broader life) of Covid-19 means that the short- medium term strategy of the college must heavily focus on resilience and agility to continue to deliver its mission.

The college will concentrate on retaining a level of 1550 students going forward, further develop a college culture of excellence focused on outstanding student achievement and the raising of aspirations and maintain a college quality and self-assessment system aligned with the Ofsted Common Inspection Framework and ESFA requirements to enable it to maintain its Outstanding Ofsted Status.

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.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 12 December 2023 and signed on its behalf by:


Mr D A J Walrond
Trustee

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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.

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Callywith College Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Burnett, Vice Chair	5	5
Mr M J Davis	5	5
Dr C Gray	1	5
Mr T P Reed	4	5
Mrs L Gilbert (appointed 27 June 2023)	0	0
Dr J Grey	5	5
Mr C S Twigg	5	5
Mr D A J Walrond, Chair	4	5
Prof A D Phippen	3	5
Ms T Roose (resigned 20 March 2023)	2	2
Ms S Wright (resigned 8 November 2023)	3	5
Mrs J A Proctor	3	5
Mrs N Hughes	2	5
Mr T W Woodley (resigned 2 November 2022)	0	1

During the year 2 Trustees were recruited as Parent Trustees. Two Trustees resigned from the Board, Mr T W Woodley and Ms T Roose.

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Governance statement (continued)

Governance reviews

An external review of governance was undertaken in March 2023 and included the following comments from Diane Moss:

- 'This is a strong board which has understood its purpose and remit and which carries out its core functions effectively.'
- 'The board comprises skilled and experienced individuals from the education, finance, business, and charity sectors. The board is stable and recruitment, when necessary, is geared towards strengthening the skills base.'
- 'The board has a strategic focus. There is an agreed vision and a strong ethos which runs through the discussions and shapes decision making. The board holds an annual strategy day to reflect and evaluate and to consider future priorities for improvement and development'.
- 'The board knows the College well, understands the data and holds the Principal to account for pupil outcomes. It is focused not just on what the students will achieve when they are at the College, but on preparing them for the next stage of their education or for employment.'
- 'Trustees are interested not just in academic results, but in the student experience.'
- 'The board understands the finances and provides good oversight to ensure the money is well spent.'
- 'The board is outward looking and has an appreciation of the current educational landscape'.
- 'This report notes a few recommendations for further improvement, but these are in the context of strong governance with good supporting structures and processes.'

There are 4 sub committees held by Trustees.

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 report and regulatory requirements, receiving reports from the Responsible Officer/internal auditor and drafting the annual budget including setting staff levels. It also incorporates the role of an audit committee and is chaired by Mr T P Reed. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr J Grey	3	3
Mr T P Reed	3	3
Mr D A J Walrond, Chair	3	3
Dr C Gray	1	3
Mr J Burnett, Vice Chair	2	3
Ms T Roose (resigned 20 March 2023)	0	1
Mrs N Hughes	3	3

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Governance statement (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. This board also includes an additional SAR Review Group meeting and is chaired by Mr J Burnett. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr J Grey	4	4
Mr J Burnett, Vice Chair	3	4
Mr M J Davis	4	4
Mrs J A Proctor	4	4
Mr C S Twigg	3	4
Mr D A J Walrond, Chair	4	4
Prof A D Phippen	4	4
Ms S Wright (resigned 8 November 2023)	3	4

The Search and Governance Committee was set up to advise the board on Trustee appointments and the membership of committees as well as deal with governance issues and monitor the effectiveness of governance arrangements. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr J Grey	2	2
Mr J Burnett	1	2
Mr T P Reed	2	2
Mr D Walrond	2	2

The Performance and Remuneration Committee was set up to discuss and advise the Board of Trustees on executive pay and performance. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Mr J Burnett	1	1
Dr C Gray	1	1
Mr T P Reed	1	1

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Governance statement (continued)

Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, 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 academy trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- 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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Callywith College Trust for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Employment and Audit Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

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Governance statement (continued)

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

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

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

On a annual basis, the auditor reports to the board of trustees, through the Finance committee on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities and prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

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

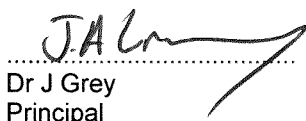
- the work of the internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee Finance and General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2023 and signed on its behalf by:



Mr D A J Walrond
Trustee



Dr J Grey
Principal

Callywith College Trust

Statement of regularity, propriety and compliance

As accounting officer of Callywith College Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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 J Grey
Accounting Officer

Callywith College Trust

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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; and
- 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.

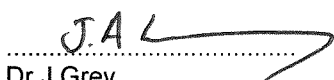
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been 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 on 12 December 2023 and signed on its behalf by:



Mr D A J Walrond
Trustee



Dr J Grey
Principal

Callywith College Trust

Independent Auditor's Report on the Financial Statements to the Members of Callywith College Trust

Opinion

We have audited the financial statements of Callywith College Trust (the 'Academy') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2023 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Callywith College Trust

Independent Auditor's Report on the Financial Statements to the Members of Callywith College Trust (continued)

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 Strategic Report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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 auditor's 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.

Callywith College Trust

Independent Auditor's Report on the Financial Statements to the Members of Callywith College Trust (continued)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The Academy must meet the obligations set by the ESFA and other funders in order to continue to receive public funding. The Academy is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation set by the Charities SORP (FRS102) and the ESFA Academy Trust Handbook.
- Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.
- We have considered the nature of the Academy sector, control environment and the performance of the Academy. Those charged with governance have been questioned about their own identification and assessment of the risks of irregularities.
- The trust is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, and anti-money laundering.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Callywith College Trust

Independent Auditor's Report on the Financial Statements to the Members of Callywith College Trust (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

.....
Adam Croney (Senior Statutory Auditor)
For and on behalf of Westcotts (SW) LLP, Statutory Auditor

Plym House
3 Longbridge Road
Marsh Mills
Plymouth
Devon
PL6 8LT

Date:.....

Callywith College Trust

Independent Reporting Accountant's Assurance Report on Regularity to Callywith College Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Callywith College Trust during the period 1 September 2022 to 31 August 2023 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 may state to Callywith College Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Callywith College Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the board of trustees's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 from 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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.

Callywith College Trust

Independent Reporting Accountant's Assurance Report on Regularity to Callywith College Trust and the Education and Skills Funding Agency (continued)

- 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.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Adam Croney

For and on behalf of Westcotts (SW) LLP, Chartered Accountants

Plym House
3 Longbridge Road
Marsh Mills
Plymouth
Devon
PL6 8LT

Date:.....

Callywith College Trust

Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
Income and endowments from:					
Donations and capital grants	3	910	-	95,064	95,974
Other trading activities	5	71,061	8,995	-	80,056
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	<u>395,363</u>	<u>8,124,767</u>	<u>-</u>	<u>8,520,130</u>
Total		467,334	8,133,762	95,064	8,696,160
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>1,201,579</u>	<u>7,233,385</u>	<u>665,620</u>	<u>9,100,584</u>
Net (expenditure)/income		(734,245)	900,377	(570,556)	(404,424)
Transfers between funds		621,691	(663,384)	41,693	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	<u>-</u>	<u>132,000</u>	<u>-</u>	<u>132,000</u>
Net movement in (deficit)/funds		(112,554)	368,993	(528,863)	(272,424)
Reconciliation of funds					
Total funds brought forward at 1 September 2022		<u>688,802</u>	<u>140,279</u>	<u>20,717,179</u>	<u>21,546,260</u>
Total funds carried forward at 31 August 2023		<u>576,248</u>	<u>509,272</u>	<u>20,188,316</u>	<u>21,273,836</u>

Callywith College Trust


Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
Income and endowments from:					
Donations and capital grants	3	-	-	34,225	34,225
Other trading activities	5	64,944	22,643	-	87,587
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	<u>472,577</u>	<u>6,308,541</u>	<u>-</u>	<u>6,781,118</u>
Total		537,521	6,331,184	34,225	6,902,930
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>925,348</u>	<u>6,414,543</u>	<u>615,182</u>	<u>7,955,073</u>
Net expenditure		(387,827)	(83,359)	(580,957)	(1,052,143)
Transfers between funds		979,635	(1,146,271)	166,636	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	<u>-</u>	<u>1,397,000</u>	<u>-</u>	<u>1,397,000</u>
Net movement in funds/(deficit)		591,808	167,370	(414,321)	344,857
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		<u>96,994</u>	<u>(27,091)</u>	<u>21,131,500</u>	<u>21,201,403</u>
Total funds carried forward at 31 August 2022		<u>688,802</u>	<u>140,279</u>	<u>20,717,179</u>	<u>21,546,260</u>

Callywith College Trust
(Registration number: 09802491)
Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	20,190,386	20,719,249
Current assets			
Debtors	12	511,558	435,884
Cash at bank and in hand		<u>1,210,257</u>	<u>1,447,475</u>
		1,721,815	1,883,359
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(617,365)</u>	<u>(975,348)</u>
Net current assets		<u>1,104,450</u>	<u>908,011</u>
Net assets excluding pension liability		21,294,836	21,627,260
Defined benefit pension scheme liability	21	<u>(21,000)</u>	<u>(81,000)</u>
Total net assets		<u>21,273,836</u>	<u>21,546,260</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	14	530,272	221,279
Restricted fixed asset fund	14	20,188,316	20,717,179
Pension reserve	14	<u>(21,000)</u>	<u>(81,000)</u>
		20,697,588	20,857,458
Unrestricted funds			
Unrestricted general fund	14	<u>576,248</u>	<u>688,802</u>
Total funds		<u>21,273,836</u>	<u>21,546,260</u>

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue on 12 December 2023 and signed on their behalf by:



Mr D A J Walrond
Trustee

Callywith College Trust

Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	(195,525)	170,521
Cash flows from investing activities	17	<u>(41,693)</u>	<u>(166,638)</u>
Change in cash and cash equivalents in the year		(237,218)	3,883
Cash and cash equivalents at 1 September		<u>1,447,475</u>	<u>1,443,592</u>
Cash and cash equivalents at 31 August		<u>1,210,257</u>	<u>1,447,475</u>

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Donated fixed assets

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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

All resources expended are inclusive of irrecoverable VAT.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Expenditure on raising funds

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

Charitable activities

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

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, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Asset class	Depreciation method and rate
Long-term leasehold property	2% and 10% straight line
Curriculum equipment	33%, 20% and 12.5% straight line
Motor vehicles	20% straight line

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 academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

Fund accounting

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

Restricted fixed asset funds are resources, which are to be applied to specific capital purposes imposed by 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.

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 'Member Liability', will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2023.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

3 Donations and capital grants

	Unrestricted Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total 2022 £
Capital grants	-	95,064	95,064	34,225
Other donations	910	-	910	-
	<u>910</u>	<u>95,064</u>	<u>95,974</u>	<u>34,225</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £	Restricted General Funds £	Total 2023 £	Total 2022 £
Educational operations				
DfE/ESFA revenue grants				
General annual Grant (GAG)	-	7,513,367	7,513,367	5,418,439
FSM	-	58,446	58,446	66,808
Other DfE/ESFA grants	-	500,694	500,694	534,360
	-	8,072,507	8,072,507	6,019,607
Other government grants				
Special educational projects	-	52,260	52,260	320,864
Non-government grants and other income				
Other incoming resources	395,363	-	395,363	440,647
Total grants	<u>395,363</u>	<u>8,124,767</u>	<u>8,520,130</u>	<u>6,781,118</u>

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

5 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	Total 2023 £	Total 2022 £
Other grants	-	8,995	8,995	22,643
Lettings	47,605	-	47,605	40,900
Other income	23,456	-	23,456	24,044
	<u>71,061</u>	<u>8,995</u>	<u>80,056</u>	<u>87,587</u>

6 Expenditure

	Non Pay Expenditure			Total 2023 £	Total 2022 £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	4,458,863	665,620	386,695	5,511,178	5,237,677
Allocated support costs	<u>1,164,363</u>	<u>497,367</u>	<u>1,927,676</u>	<u>3,589,406</u>	<u>2,717,396</u>
	<u>5,623,226</u>	<u>1,162,987</u>	<u>2,314,371</u>	<u>9,100,584</u>	<u>7,955,073</u>

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	137,252	138,252
Depreciation	665,620	615,182
Fees payable to auditor - audit	9,255	8,555

7 Charitable activities

	2023 £	2022 £
Direct costs - educational operations	5,511,178	5,237,677
Support costs - educational operations	3,589,406	2,717,396
	9,100,584	7,955,073

	Educational operations £	Total 2023 £	Total 2022 £
Analysis of support costs			
Support staff costs	1,164,363	1,164,363	990,615
Premises costs	497,367	497,367	296,602
Other support costs	1,801,613	1,801,613	1,420,681
Technology costs	74,417	74,417	-
Legal costs - other	38,561	38,561	-
Governance costs	13,085	13,085	9,498
Total support costs	3,589,406	3,589,406	2,717,396

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Staff

Staff costs

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	4,269,478	3,447,355
Social security costs	380,092	321,603
Operating costs of defined benefit pension schemes	973,656	1,355,837
	<u>5,623,226</u>	<u>5,124,795</u>

Staff numbers

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

	2023 No	2022 No
Teachers	89	70
Administration and support	75	50
Management	4	4
	<u>168</u>	<u>124</u>

Higher paid staff

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

	2023 No	2022 No
£60,001 - £70,000	2	2
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £390,571 (2022: £349,398).

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

9 Related party transactions - trustees' remuneration and expenses

One or more trustees have been paid remuneration or has received other benefits from employment with the academy trust. The principal receives remuneration in respect of services they provide undertaking the role of principal under their contract of employment, and not in respect of their role as trustee. The value of trustees' remuneration and other benefits was as follows:

Dr J Grey (Principal):

Remuneration: £105,000 - £110,000 (2022 - £90,000 - £95,000)

Employer's pension contributions: £25,000 - £30,000 (2022 - £20,000 - £25,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £323 (2022 - £276) were reimbursed or paid directly to 2 trustees (2022 - 2).

Other related party transactions involving the trustees are set out in note 22.

10 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2023 was £3,003 (2022 - £1,536).

The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Long-term leasehold property	Curriculum equipment	Motor vehicles	Total
Cost				
At 1 September 2022	22,632,288	1,531,711	36,505	24,200,504
Additions	-	136,757	-	136,757
At 31 August 2023	<u>22,632,288</u>	<u>1,668,468</u>	<u>36,505</u>	<u>24,337,261</u>
Depreciation				
At 1 September 2022	2,248,923	1,195,827	36,505	3,481,255
Charge for the year	<u>508,566</u>	<u>157,054</u>	<u>-</u>	<u>665,620</u>
At 31 August 2023	<u>2,757,489</u>	<u>1,352,881</u>	<u>36,505</u>	<u>4,146,875</u>
Net book value				
At 31 August 2023	<u>19,874,799</u>	<u>315,587</u>	<u>-</u>	<u>20,190,386</u>
At 31 August 2022	<u>20,383,365</u>	<u>335,884</u>	<u>-</u>	<u>20,719,249</u>

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

11 Tangible fixed assets (continued)

Included within Long-term leasehold property charge for the year is £45,395 of impairments on capitalised costs relating to planned building work which it is now considered unlikely to be able to obtain funding to utilise within the near future.

12 Debtors

	2023 £	2022 £
Trade debtors	8,880	1,374
VAT recoverable	230,014	105,899
Other debtors	222,305	191,563
Prepayments	50,359	137,048
	<u>511,558</u>	<u>435,884</u>

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	66,109	364,222
Other taxation and social security	190,826	132,004
Other creditors	8,920	308,522
Accruals	15,750	7,950
Deferred income	335,760	162,650
	<u>617,365</u>	<u>975,348</u>

	2023 £	2022 £
Deferred income		
Deferred income at 1 September 2022	162,650	124,424
Resources deferred in the period	335,760	162,650
Amounts released from previous periods	<u>(162,650)</u>	<u>(124,424)</u>
Deferred income at 31 August 2023	<u>335,760</u>	<u>162,650</u>

At the balance sheet date, the academy trust was holding funds of £255,411 received in advance for transport services for the autumn term 2023. The remaining deferred Income is related to enrolment income for the 2023-2024 academic year and other small amounts deferred.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

14 Funds

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted funds					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	133,425	7,513,367	(6,563,456)	(553,064)	530,272
Free School Meals	87,854	58,446	(35,980)	(110,320)	-
Other Income	-	8,995	(8,995)	-	-
Vulnerable Bursaries	-	42,000	(42,000)	-	-
Teachers' Pension	-	229,359	(229,359)	-	-
Teachers Pay Grant	-	41,190	(41,190)	-	-
Pension reserve	(81,000)	-	(72,000)	132,000	(21,000)
Higher Needs from LA	-	52,260	(52,260)	-	-
Other DfE Grants	-	188,145	(188,145)	-	-
Total restricted general funds	140,279	8,133,762	(7,233,385)	(531,384)	509,272
<i>Restricted fixed asset funds</i>					
Net Book Value of Fixed Assets	20,717,179	-	(665,620)	136,757	20,188,316
Devolved Formula Capital	-	95,064	-	(95,064)	-
Total restricted funds	20,857,458	8,228,826	(7,899,005)	(489,691)	20,697,588
<i>Unrestricted general funds</i>					
General funds	688,802	467,334	(1,201,579)	621,691	576,248
Total unrestricted funds	688,802	467,334	(1,201,579)	621,691	576,248
Total endowment funds	-	-	-	-	-
Total funds	21,546,260	8,696,160	(9,100,584)	132,000	21,273,836

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

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

14 Funds (continued)

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted funds					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	923,472	5,432,096	(5,021,453)	(1,200,690)	133,425
Free School Meals	52,437	66,808	(31,391)	-	87,854
Other Income	-	12,764	-	(12,764)	-
16-19 Bursary used for Transport	-	176,690	(222,922)	46,232	-
Higher Needs from ESFA	-	102,808	(123,759)	20,951	-
Vulnerable Bursaries	-	9,436	(9,436)	-	-
Rates Relief	-	46,112	(46,112)	-	-
High Value Courses Premium	-	69,600	(69,600)	-	-
Teachers' Pension	-	233,976	(233,976)	-	-
Teachers Pay Grant	-	100,249	(100,249)	-	-
16-19 Tuition Grant	-	60,485	(60,485)	-	-
Capacity Grant	-	20,160	(20,160)	-	-
Pension reserve	<u>(1,003,000)</u>	<u>-</u>	<u>(475,000)</u>	<u>1,397,000</u>	<u>(81,000)</u>
Total restricted general funds	(27,091)	6,331,184	(6,414,543)	250,729	140,279
<i>Restricted fixed asset funds</i>					
Net Book Value of Fixed Assets	21,131,500	-	(580,957)	166,636	20,717,179
Devolved Formula Capital	<u>-</u>	<u>34,225</u>	<u>(34,225)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>21,104,409</u>	<u>6,365,409</u>	<u>(7,029,725)</u>	<u>417,365</u>	<u>20,857,458</u>
<i>Unrestricted general funds</i>					
General funds	<u>96,994</u>	<u>537,521</u>	<u>(925,348)</u>	<u>979,635</u>	<u>688,802</u>
Total unrestricted funds	96,994	537,521	(925,348)	979,635	688,802
Total endowment funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>21,201,403</u>	<u>6,902,930</u>	<u>(7,955,073)</u>	<u>1,397,000</u>	<u>21,546,260</u>

The academy trust is not subject to GAG carried forward limits.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

14 Funds (continued)

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

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.

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 recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Net Book Value of fixed assets - This represents the buildings and equipment initially donated to the Trust from Truro and Penwith College and other equipment bought from Callywith College funds in subsequent years.

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

Next Step South West Grant Staff - This represents funding received to provide drop-in sessions offering students career support.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	2,070	-	20,188,316	20,190,386
Current assets	909,938	811,877	-	1,721,815
Current liabilities	(335,760)	(281,605)	-	(617,365)
Pension scheme liability	-	(21,000)	-	(21,000)
Total net assets	<u>576,248</u>	<u>509,272</u>	<u>20,188,316</u>	<u>21,273,836</u>

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

	Unrestricted Funds (as restated) £	Restricted General Funds (as restated) £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	2,070	-	20,717,179	20,719,249
Current assets	849,382	1,033,977	-	1,883,359
Current liabilities	(162,650)	(812,698)	-	(975,348)
Pension scheme liability	-	(81,000)	-	(81,000)
Total net assets	<u>688,802</u>	<u>140,279</u>	<u>20,717,179</u>	<u>21,546,260</u>

The allocation between unrestricted and restricted funds in the published accounts for the prior period was incorrect and so has been restated for the comparative in the current period. The Total Funds and Restricted Fixed Asset Funds were correctly stated.

16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2023 £	2022 £
Net expenditure	(404,424)	(1,052,143)
Depreciation	665,620	615,184
Capital grants from DfE and other capital income	(95,064)	(34,225)
Defined benefit pension scheme service costs less contributions	67,000	454,000
Defined benefit pension scheme finance cost	5,000	21,000
Increase in debtors	(75,674)	(184,392)
(Decrease)/increase in creditors	<u>(357,983)</u>	<u>351,097</u>
Net cash (used in)/provided by Operating Activities	<u>(195,525)</u>	<u>170,521</u>

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(136,757)	(200,863)
Capital funding received from sponsors and others	95,064	34,225
Net cash used in investing activities	<u>(41,693)</u>	<u>(166,638)</u>

18 Long-term commitments, including operating leases

Operating leases

At 31 August 2023 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	108,218	142,343
Amounts due between one and five years	230,698	27,040
	<u>338,916</u>	<u>169,383</u>

19 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash	<u>1,447,475</u>	<u>(237,218)</u>	<u>1,210,257</u>

20 Member liability

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

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

21 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2022.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2022.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £652,952 (2022: £555,950). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

21 Pension and similar obligations (continued)

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

Local government pension schemes

Cornwall Council

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £325,000 (2022 - £240,000), of which employer's contributions totalled £247,000 (2022 - £183,000) and employees' contributions totalled £78,000 (2022 - £57,000). The agreed contribution rates for future years are 18.9 per cent for employers. The scheme is managed by Hyman Robertson.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	2.95	3.05
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.25</u>

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

	2023	2022
Retiring today		
Males retiring today	19.9	21.3
Females retiring today	21.2	23.9
Retiring in 20 years		
Males retiring in 20 years	20.9	22.5
Females retiring in 20 years	<u>25.2</u>	<u>25.6</u>

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

21 Pension and similar obligations (continued)

Sensitivity analysis

	2023 £	2022 £
0.1% decrease in Real Discount Rate	44,000	35,000
1 year increase in member life expectancy	55,000	37,000
0.1% increase in the Pension Increase Rate (CPI)	42,000	35,000
0.1% increase in Salary Increase Rate	<u>3,000</u>	<u>1,000</u>

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

	2023 £	2022 £
Equities	745,250	467,040
Corporate bonds	487,800	283,560
Property	94,850	66,720
Other	<u>27,100</u>	<u>16,680</u>
Total market value of assets	<u>1,355,000</u>	<u>834,000</u>

The actual return on scheme assets was (£73,000) (2022 - £30,000).

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

Current service cost	314,000	637,000
Interest income	(42,000)	(12,000)
Interest cost	47,000	33,000
	<u>319,000</u>	<u>658,000</u>
Total amount recognized in the SOFA		

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

At start of period	915,000	1,628,000
Current service cost	314,000	637,000
Interest cost	47,000	33,000
Employee contributions	78,000	57,000
Actuarial (gain)/loss	28,000	(1,439,000)
Benefits paid	(6,000)	(1,000)
	<u>1,376,000</u>	<u>915,000</u>
At 31 August		

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

At start of period	834,000	625,000
Interest income	42,000	12,000
Actuarial gain/(loss)	160,000	(42,000)
Employer contributions	247,000	183,000
Employee contributions	78,000	57,000
Benefits paid	(6,000)	(1,000)
	<u>1,355,000</u>	<u>834,000</u>
At 31 August		

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in notes 9 and 23.

Callywith College Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

23 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 the 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 2023 the College incurred costs on behalf of the Trust, as well as the Trust incurring costs on behalf of the college. At the year-end £222,282 was due from the College to the Trust (2022: £114,480 due to the College).