

Callywith College Trust
Company Limited by Guarantee
Financial Statements
31 August 2021

THOMAS WESTCOTT

Chartered accountants & statutory auditor
Plym House
3 Longbridge Road
Marsh Mills
Plymouth
Devon
PL6 8LT

Callywith College Trust
Company Limited by Guarantee
Financial Statements
Year ended 31 August 2021

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Callywith College Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2021.

Reference and administrative details

Company name Callywith College Trust

Company registration number 09802491

Principal office and registered office Callywith College
Old Callywith Road
Bodmin
PL31 2GT

Principal and Accounting Officer Dr Jonathan Grey

Trustees

Mr Jonathan Burnett, Vice Chair	
Mr Michael John Davis	
Dr Claire Gray	
Mr Thomas Paul Reed	
Mrs Debra Tarrant	
Dr Jonathan Grey, Principal	
Mr Christopher Sidney Twigg	
Mr Philip John Waller	(Resigned 30 April 2021)
Mr David Alan John Walrond, Chair	
Mr Tom Woodley	
Ms Nicola Anne Morris	(Appointed 1 July 2021 and resigned 8 November 2021)
Prof Andrew David Phippen	(Appointed 30 March 2021)
Ms Tracey Roose	(Appointed 30 March 2021)
Ms Stephanie Wright	(Appointed 30 March 2021)

Members

Mr Peter Cloke	
Mrs Gail Hunt	
Dr Elizabeth Sheridan	
Mr David Alan John Walrond	
Mr Martin Tucker	(Appointed 30 September 2021)

Company Secretary Mrs Alison Jane Winter

Senior Management Team

Dr Jonathan Grey, Principal
Ms Rae Loom, Business Manager
Ms Jen Temple, Assistant Principal
Mr Allyn Jeffries, Assistant Principal

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2021

Auditor	Thomas Westcott Chartered accountants & statutory auditor Plym House 3 Longbridge Road Marsh Mills Plymouth Devon PL6 8LT
Bankers	HSBC 17 Boscawen Street Truro Cornwall TR1 2QZ
Solicitors	PHP Law LLP 6 Delamore Park Ivybridge Devon PL21 9QP

Callywith College Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 16 to 19 in Cornwall. It has a pupil capacity of 1280 and had a roll of 1228 in the ILR (Individualised Learner Record) in November 2020.

Structure, Governance and Management

Constitution

Callywith College Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Callywith College Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Callywith College.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

Members' Liability

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

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

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

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

Organisational Structure

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

Callywith College Trust

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

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 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 the Senior Management Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

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

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts. The pay of key management personnel is reviewed annually.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Trade union facility time

There were no relevant union officials for the year ended 31 August 2021.

Related Parties and other Connected Charities and Organisations

Callywith College Trust is sponsored by Truro and Penwith College in accordance with a Memorandum of Understanding agreed by the Department of Education. Truro and Penwith College will allow the Trust use of the parking and leisure facilities through a shared use agreement between it and the Trust.

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

Objectives and Activities

Objects and Aims

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

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.
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Callywith College Trust

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Objectives, Strategies and Activities

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

- Recruit 1500 students by 2022-23
- 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

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

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and Performance

Overall, students' achievements are outstanding.

A Levels

Students make excellent progress and are retained on their programme of study

- Retention Rate 95% (99.5% 19/20; 99.8% 18/19; Nat 87.6%)
 - Pass Rate 99.9% (100% 19/20; 100% 18/19, Nat 99.5%)
 - Qualification Achievement Rate 94.6% (99.5% 19/20; 99.5% 18/19, Nat 85.7%)
 - High Grades A*-B 74% (72% 19/20; 55% 18/19; Nat 70.3%)
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Year ended 31 August 2021

Targets and Performance Indicators for A Levels

Performance at A Level exceeded the college's own targets:

A level	2021		2020		2019	
	Target	Actual	Target	Actual	Target	Actual
Qualification Achievement rate	88%	94.6%	90%	99.5%	90%	99.6%
High grades (A*-C)	65%	92.5%	60%	72%	55%	55.4%
Value Added	ALPS3	ALPS1	ALPS3	ALPS1	ALPS 3	ALPS 3

Level 3 Foundation Diploma/Diplomas

Students on Foundation Diploma/Diploma study programmes make excellent progress and are retained on their programme of study with outstanding qualification achievement rates that are significantly above historical national averages.

- Retention rate 93.6% (99.0% 19/20; 98.2% 18/19; Nat. 90.2%)
- Pass rate 97.4% (100% 19/20; 98.4% 18/19; Nat. 90.9%)
- Qualification Achievement Rate 91.2% (99.0% 19/20; 95.9% 18/19; Nat. 82.8%)
- BTEC
 - 61.6% Achieved Merit or higher (78.7% 19/20, 60.7% 18/19; Nat. 59.9%)
 - 32.8% Achieved Dist. or higher (48.4% 19/20; 25.4% 18/19; Nat. 23.3%)
- UAL
 - 62.89% Achieved Merit or higher (78.9% 18/19)

Targets and Performance Indicators for Level 3 Foundation Diploma/Diploma Vocational Courses

Performance at Level 3 Foundation Diploma/Diploma exceeds the college's own targets:

Level 3 Vocational (Foundation Diploma/Diploma)	Targets	Actuals		
		2021	2020	2019
Qualification Achievement rate	90%	91.2%	100%	95.9%
High grades (Merit or above)	60%	62.0%	78.7%	69.8%

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Year ended 31 August 2021

Level 3 Extended Diplomas

Students on Extended Diploma study programmes make very good progress and are retained on their programme of study with outstanding qualification achievement rates that are significantly above historical national averages.

- Retention Rate 96.3% (**100% 19/20**; 99.0% 18/19; Nat. 91.6% 18/19)
- Pass rate 100% (**100% 19/20**; 100% 18/19; Nat. 95.2% 18/19)
- Qualification Achievement Rate 96.3% (100% 19/20; 99.1% 18/1; Nat. 87.2%)
- BTEC
 - 84.2% Achieved Merit or higher (81.7% 19/20; 81.1% 18/19, Nat. 77.8%)
- UAL
 - 73.4% Achieved Merit or higher (82.9% 19/20; 78.9% 18/19)

Targets and Performance Indicators for Level 3 Extended Diploma Vocational Courses

Performance at Level 3 Extended Diploma exceeds college's own targets:

Extended Diploma	Targets	Actuals		
		2021	2020	2019
Qualification Achievement rate	90%	96.3%	100%	99.3%
High grades (Merit or Above)	80%	84.5%	82.0%	80.0%

Level 2 Vocational

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

- 93.6% Retention Rate (100% 19/20; 98.7% 18/19, Nat. 91.9%)
- 90.6% Pass Rate (18/19: Callywith 90.0%, Nat 89.6%)
- 84.8% Qualification Achievement Rate (100% 19/20; 91.5% 18/19; Nat 82.4%)

Targets and Performance Indicators for Level 2 Vocational Courses

Performance on Level 2 Certificates has fallen below the college targets. As a result, two Level 2 course leaders will attend a 'Course Improvement Plan' meeting where clear actions and targets will be identified.

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Year ended 31 August 2021

Level 2 Vocational (Certificates)	Targets	Actuals		
		2021	2020	2019
Qualification Achievement rate	90%	84.6%	100%	91.5%
High grades (Merit or above)	60%	48.2%	66.7%	39.5%

GCSE English and Maths

Students made much better progress than the national rate for all schools and colleges, with pass rates being above national averages for 16–18-year old's:

- GCSE English grade 4+ Pass Rate of 59.6% (69.8% 19/20; 48.7% 18/19; Nat 44.2%)
- GCSE Maths grade 4+ Pass Rate of 39.5% (35.8% 19/20; 26.8% 18/19; Nat 39.8%)
 - November 2020 Exam: 4+ Pass Rate 19.1%
 - Summer 2021 TAGs: 4+ Pass Rate 39.5%
 - Combined November 2020 and Summer 2021 4+ Pass Rate 50.8%

Targets and Performance Indicators for GCSE English and Maths

Performance on GCSE English is significantly above the college target and the national average. Whilst GCSE Maths performance was above the college target, the % achieving a 4 or above is slightly below the national average.

GCSE	Targets	Actuals		
		2021	2020	2019
English 4 and above	45%	59.6%	69.8%	49%
Maths 4 and above	30%	39.5%	35.8%	27%

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Year ended 31 August 2021

Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2020/21 were 1228, an increase of 139 on last year's student numbers, close to the College PAN of 1280 students.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2020 this was 74%, compared to 72% in 2019/20.

	Target for 20/21	Long Term	Performance 20/21
Achievement of core funding	95%	95%	100%
Student enrolments against PAN	100%	100%	96%
Student enrolments against Target (until reach full capacity)	100% of PAN	100% of PAN	96% of PAN
Total Staffing as a percentage of total college income	70%	70%	74%
Retained surplus/income	2%	5%	17%
Current ratio (i.e., ratio of current assets to liabilities at year end)	2.0	2.0	3.2
Cash days in hand at year end	45	45	126

Recruitment measures

	Target for 20/21	Performance
Recruitment of our target number of students each year.	100% against PAN	1228, 96% of PAN
Delivery of curriculum plan	90% of subjects offered to be delivered	100% of courses were delivered

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Teaching and Learning measures

	Targets 19/20	Performance
Teaching, learning and assessment to be Outstanding or Good	100% of lesson observations	100%
	95% of student surveys to identify TLA as good or better	95%
In-year retention rate for all students	93%	94.9%
Attendance	90%	88% Includes absences due to COVID-19

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.

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 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2021, the Academy received total income of £6,895,428 (£5,889,793) and incurred total expenditure of £7,078,203 (£6,013,282). The excess of expenditure over income for the year was £182,775 (£123,489). Excluding the fixed asset fund movement (deducting capital grants of £281,143 and adding back depreciation of £577,157) and adding back the LGPS pension charges of £228,000, the net surplus on revenue funds was £341,239 (£533,271).

On 31 August 2021 the net book value of fixed assets was £21,133,570 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Key financial policies 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.

Callywith College Trust

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

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 8-12% of GAG funds, based around 30 cash days is a reasonable reserve amount, therefore reserves of approximately £630,000. For the year ending 31st August 2021 the Trust has over-achieved on this target and has £1,020,466 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.

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. Last year 94% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Callywith College Trust

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Year ended 31 August 2021

- 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' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Fundraising

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

Plans for the 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 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 recruiting 1500 students by 2022-23, broadening the existing curriculum at Level 2 and Level 3 to include preparation and delivery of new T-Levels which will launch in 2022-23, maintain and 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

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on **14th December 2021** and signed on behalf of the board of trustees by:



Mr David Alan John Walrond
Chair of Trustees

Callywith College Trust
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Governance Statement *(continued)*
Year ended 31 August 2021

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 Governance 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Jonathan Burnett, Vice Chair	4	4
Mr Michael John Davis	3	4
Dr Claire Gray	4	4
Mr Thomas Paul Reed	4	4
Mrs Debra Tarrant*	1	4
Dr Jonathan Grey	4	4
Mr Christopher Sidney Twigg	4	4
Mr Philip John Waller	2	3
Mr David Alan John Walrond, Chair	4	4
Mr Tom Woodley**	0	4
Prof Andrew David Phippen	2	2
Ms Tracey Roose	2	2
Ms Stephanie Wright	1	2

**Mrs Debra Tarrant was absent due to additional work commitments due to COVID.*

***Mr Tom Woodley was absent due to long term sickness.*

During the year 3 Trustees were recruited, 2 as Member-appointed Trustees and 1 as a Co-opted Trustee. 2 Trustees were reappointed for a further Term of Office. One Trustee resigned from the Board on 30th April 2021. One Trustee was on long term sick leave.

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Governance Statement *(continued)*

Year ended 31 August 2021

A review of effectiveness of governance is usually undertaken every year with the last one in November 2021 and includes:

- Conducting a skills audit
- Obtaining the views of Trustees via a self-assessment questionnaire.
- Monitoring Trustee attendance data
- Considering any training and development undertaken or needs identified
- Reviewing terms of office, succession planning and recruitment
- Developing an action plan based on the findings of the review and any other feedback or considerations.

A self-assessment questionnaire was completed by Trustees in October 2021. Responses were collated and overall provide very positive feedback with a high level of agreement that the Trust has effective governance structures and processes; the Board is clear about its role and remit; Trustees ensure the Board discharges responsibilities effectively and has a positive impact on outcomes for learners.

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. During the year Mr Jonathan Burnett joined the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr Jonathan Grey	4	4
Mr Thomas Woodley*	0	4
Mr Thomas Paul Reed (Chair)	4	4
Mr David Walrond	4	4
Ms Claire Gray	4	4
Mr Jonathan Burnett	4	4
Ms Tracey Roose	1	1

**Mr Tom Woodley was absent due to long term sickness.*

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.

Callywith College Trust
Company Limited by Guarantee
Governance Statement *(continued)*
Year ended 31 August 2021

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr Jonathan Grey	3	3
Mr Jonathan Burnett (Chair)	3	3
Mr Michael Davis	2	3
Mrs Debra Tarrant	0	3
Mr Christopher Twigg	3	3
Mr Philip Waller	2	2
Mr David Walrond	3	3
Prof Andrew David Phippen	1	1
Ms Stephanie Wright	1	1

**Mrs Debra Tarrant was absent due to additional work commitments due to COVID.*

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 Jonathan Grey	2	2
Mr Jonathan Burnett	2	2
Mr Thomas Paul Reed	2	2
Mr David 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:

Trustee	Meetings attended	Out of a possible
Mr Jonathan Burnett	2	2
Dr Claire Gray	1	1
Mr Thomas Paul Reed	2	2

Callywith College Trust

Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2021

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 achieved in return for the taxpayer resources received.

The accounting officer considers how the academy 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 or by using a framework 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 period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Callywith College Trust
Company Limited by Guarantee
Governance Statement *(continued)*
Year ended 31 August 2021

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

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

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

The checks carried out in the current period included:

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

On a termly basis, the auditor's 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' financial responsibilities and annually prepares an annual 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.

Callywith College Trust

Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2021

Review of Effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 **14th December 2021** and signed on its behalf by:



Mr David Alan John Walrond
Chair of Trustees



Dr Jonathan Grey
Accounting Officer

Callywith College Trust

Company Limited by Guarantee

Statement of Regularity, Propriety and Compliance

Year ended 31 August 2021

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 received by the academy trust, under the funding agreement in place 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 Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 Academies Financial Handbook 2020.

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



Dr Jonathan Grey
Accounting Officer

Date: **14th December 2021**

Callywith College Trust

Company Limited by Guarantee

Statement of Trustees' Responsibilities

Year ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on **14th December 2021** and signed on its behalf by:



Mr David Alan John Walrond
Chair of Trustees

Callywith College Trust

Company Limited by Guarantee

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

Year ended 31 August 2021

Opinion

We have audited the financial statements of Callywith College Trust (the 'Trust') for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charity SORP 2019 and Academies Accounts Direction 2020 to 2021.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 directors 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Callywith College Trust

Company Limited by Guarantee

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

(continued)

Year ended 31 August 2021

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Callywith College Trust

Company Limited by Guarantee

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

(continued)

Year ended 31 August 2021

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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

- We identified areas of 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 Trust is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation. The company 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.
- 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.

Callywith College Trust

Company Limited by Guarantee

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

(continued)

Year ended 31 August 2021

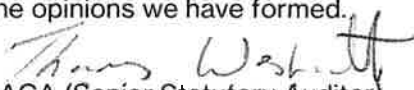
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 charity'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 charity 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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.


Adam Croney ACA (Senior Statutory Auditor)

For and on behalf of
Thomas Westcott
Chartered accountants & statutory auditor
Plym House
3 Longbridge Road
Plymouth
PL6 8LT

15th December 2021

Callywith College Trust

Company Limited by Guarantee

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

Year ended 31 August 2021

In accordance with the terms of our engagement letter dated 10 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Callywith College Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Callywith College Trust's funding agreement with the Secretary of State for Education dated 18 February 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

Callywith College Trust

Company Limited by Guarantee

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

Year ended 31 August 2021

- 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.
- 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 period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Adam Croney ACA (Senior Statutory Auditor)

For and on behalf of
Thomas Westcott
Chartered accountants & statutory auditor
Plym House
3 Longbridge Road
Marsh Mills
Plymouth
Devon
PL6 8LT

15th December 2021

Callywith College Trust

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2021

		2021			2020	
	Note	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £	Total funds £
Income						
Donations and capital grants	2	–	–	30,862	30,862	23,572
Charitable activities	3	442,475	6,387,078	–	6,829,553	5,811,427
Other trading activities	4	13,171	21,842	–	35,013	54,794
Total income		<u>455,646</u>	<u>6,408,920</u>	<u>30,862</u>	<u>6,895,428</u>	<u>5,889,793</u>
Expenditure						
Charitable activities	5,6	836,477	5,664,569	577,157	7,078,203	6,013,282
Total expenditure		<u>836,477</u>	<u>5,664,569</u>	<u>577,157</u>	<u>7,078,203</u>	<u>6,013,282</u>
Net income/(expenditure)		<u>(380,831)</u>	<u>744,351</u>	<u>(556,295)</u>	<u>(182,775)</u>	<u>(123,489)</u>
Transfers between funds		<u>374,396</u>	<u>(624,677)</u>	<u>250,281</u>	<u>–</u>	<u>–</u>
Net movement in funds before other recognised gains/losses		<u>(6,435)</u>	<u>119,674</u>	<u>(296,014)</u>	<u>(182,775)</u>	<u>(123,489)</u>
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	–	(348,000)	–	(348,000)	(187,000)
Net movement in funds		<u>(6,435)</u>	<u>(228,326)</u>	<u>(296,014)</u>	<u>(530,775)</u>	<u>(310,489)</u>
Reconciliation of funds						
Total funds brought forward		103,429	201,235	21,427,514	21,732,178	22,042,667
Total funds carried forward		<u>96,994</u>	<u>(27,091)</u>	<u>21,131,500</u>	<u>21,201,403</u>	<u>21,732,178</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 33 to 51 form part of these financial statements.


Callywith College Trust
Company Limited by Guarantee
Statement of Financial Position
31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	11	21,133,570	21,429,584
Current assets			
Debtors	12	251,492	260,223
Cash at bank and in hand		1,443,592	968,041
		1,695,084	1,228,264
Creditors: amounts falling due within one year	13	624,251	498,670
Net current assets		1,070,833	729,594
Total assets less current liabilities		22,204,403	22,159,178
Net assets excluding defined benefit pension plan liability		22,204,403	22,159,178
Defined benefit pension plan liability	21	1,003,000	427,000
Total net assets		21,201,403	21,732,178
Funds of the Trust			
Restricted funds:			
Fixed asset funds		21,131,500	21,427,514
Income funds		975,909	628,235
Restricted funds excluding pension liability		22,107,409	22,055,749
Pension reserve		(1,003,000)	(427,000)
Total restricted funds		21,104,409	21,628,749
Unrestricted funds		96,994	103,429
Total Funds	15	21,201,403	21,732,178

These financial statements were approved by the board of trustees and authorised for issue on **14th December 2021**, and are signed on behalf of the board by:



Mr David Alan John Walrond
Chair of Trustees



Dr Jonathan Grey
Accounting Officer

The notes on pages 33 to 51 form part of these financial statements.

Callywith College Trust
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	725,832	264,982
Cash flows from investing activities	18	(250,281)	(213,233)
Net increase in cash and cash equivalents		475,551	51,749
Cash and cash equivalents at beginning of year		968,041	916,292
Cash and cash equivalents at end of year	19	<u>1,443,592</u>	<u>968,041</u>

The notes on pages 33 to 51 form part of these financial statements.

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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

Callywith College Trust meets the definition of a public benefit entity under FRS 102.

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.

Incoming resources

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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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 fixed assets (excluding transfers on conversion/into the academy trust)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

Tangible assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

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

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

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.

Leased Assets

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

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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 as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments' disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 multiemployer 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.

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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.

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 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Asset Funds £	Total Funds 2021 £
Donations	–	–	–
Capital Grants	–	30,862	30,862
	<u>–</u>	<u>30,862</u>	<u>30,862</u>
	Unrestricted Funds £	Restricted Asset Funds £	Total Funds 2020 £
Donations	1,009	–	1,009
Capital Grants	–	22,563	22,563
	<u>1,009</u>	<u>22,563</u>	<u>23,572</u>

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Funding for the academy trust's educational operations

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
DfE / ESFA grants			
General Annual Grant	-	5,592,704	5,592,704
Other DfE Group grants	-	565,685	565,685
Other Government grants			
High needs and bursary funding	31,930	228,689	260,619
Other income			
Sales to students	410,545	-	410,545
	442,475	6,387,078	6,829,553

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
DfE / ESFA grants			
General Annual Grant (inc pre-opening grant)	-	4,915,297	4,915,297
Other DfE Group grants	-	354,336	354,336
		5,269,633	5,269,633
Other Government grants			
High needs and bursary funding	-	210,247	210,247
	-	210,247	210,247
Other income			
Sales to students	331,547	-	331,547
	331,547	-	331,547
	331,547	5,479,880	5,811,427

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

4. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Other grants	—	21,842	21,842
Lettings	8,708	—	8,708
Other income	4,463	—	4,463
	<u>13,171</u>	<u>21,842</u>	<u>35,013</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Other grants	—	5,394	5,394
Lettings	33,735	—	33,735
Other income	15,665	—	15,665
	<u>49,400</u>	<u>5,394</u>	<u>54,794</u>

5. Expenditure on charitable activities by fund type

	Staff Costs £	Premises £	Other £	Total Funds 2021 £
Direct costs	3,487,709	577,157	656,561	4,721,427
Allocated support costs	849,868	293,925	1,212,983	2,356,776
	<u>4,337,577</u>	<u>871,082</u>	<u>1,869,544</u>	<u>7,078,203</u>

	Staff Costs £	Premises £	Other £	Total Funds 2020 £
Direct costs	2,883,852	783,556	242,950	3,910,358
Allocated support costs	671,860	268,820	1,162,244	2,102,924
	<u>3,555,712</u>	<u>1,052,376</u>	<u>1,405,194</u>	<u>6,013,282</u>

6. Expenditure on charitable activities by activity

	Activities undertaken directly £	Support costs £	Total funds 2021 £
Education	<u>4,721,428</u>	<u>2,356,775</u>	<u>7,078,203</u>

	Activities undertaken directly £	Support costs £	Total funds 2020 £
Education	<u>3,910,358</u>	<u>2,102,924</u>	<u>6,013,282</u>

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

Analysis of support costs

	Total funds 2021 £	Total Funds 2020 £
Pension finance cost	20,000	2,137
Staff costs	849,868	671,860
Recruitment and support	37,834	25,429
Maintenance of premises and equipment	293,924	127,048
Cleaning	15,140	20,077
Rent and rates	65,383	49,858
Energy costs	98,305	71,837
Insurance	28,327	22,919
Security and transport	771,438	877,660
Catering	19,565	27,158
Technology costs	48,702	65,307
Office overheads	61,359	43,695
Legal and professional	43,539	94,428
Bank interest and charges	3,007	2,935
Computer consumables	385	576
	<u>2,356,776</u>	<u>2,102,924</u>

7. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	577,157	783,556
Fees paid to auditors for:		
- Audit	4,500	4,500
- Other services	<u>3,450</u>	<u>6,490</u>

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

8. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	3,180,274	2,663,395
Social security costs	279,730	236,115
Pension costs	877,573	656,202
	<u>4,337,577</u>	<u>3,555,712</u>

The average head count of employees during the year was 101 (2020: 100). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Management	3	3
Teachers	57	59
Support and Administration	41	38
	<u>101</u>	<u>100</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2021	2020
	No.	No.
£70,000 to £79,999	2	—
£80,000 to £89,999	—	1
£110,000 to £119,999	1	—
	<u>3</u>	<u>1</u>

Key Management Personnel

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £311,520 (2020: £253,857).

9. Trustee remuneration and expenses

The Principal only receives remuneration in respect of services he provides undertaking the role of Principal under their contract of employment, and not in respect of their services as a Trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: J Grey: Remuneration £90,000 - £95,000 (2020: £80,000 - £85,000), employer's pension contributions: £20,000 - £25,000 (2020: £10,000 - £15,000).

Other related party transactions involving the Trustees are set out in note 25.

During the year ended 31 August 2021, travel expenses totalling £44.80 were reimbursed or paid directly to 1 Trustee (2020 - £504 to 2 Trustees).

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

10. Trustees' and officers' insurance

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

11. Tangible fixed assets

	Long-term leasehold property £	Curriculum equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2020	22,345,481	1,176,253	36,505	160,259	23,718,498
Additions	—	201,882	—	79,261	281,143
Transfers	239,520	—	—	(239,520)	—
At 31 August 2021	22,585,001	1,378,135	36,505	—	23,999,641
Depreciation					
At 1 September 2020	1,340,724	926,287	21,903	—	2,288,914
Charge for the year	456,301	113,555	7,301	—	577,157
At 31 August 2021	1,797,025	1,039,842	29,204	—	2,939,925
Carrying amount					
At 31 August 2021	20,787,976	338,293	7,301	—	21,133,570
At 31 August 2020	21,004,757	249,966	14,602	160,259	21,429,584

12. Debtors

	2021 £	2020 £
Trade debtors	425	—
Prepayments and accrued income	65,799	174,402
Tax recoverable	58,686	83,919
Other debtors	126,582	1,902
	251,492	260,223

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	73,321	132,843
Accruals and deferred income	142,603	188,624
Other taxation and social security	71,670	52,888
Other creditors	336,657	124,315
	624,251	498,670

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

14. Deferred income

	2021 £	2020 £
At 1 September 2020	119,680	–
Amount released to income	(119,680)	–
Amount deferred in year	124,424	119,680
At 31 August 2021	124,424	119,680

At the balance sheet date, the academy trust was holding funds of £124,424 received in advance for transport services for the autumn term 2021.

15. Analysis of charitable funds

Unrestricted funds

	1 Sep 20 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	31 Aug 21 £
General funds	103,429	455,646	(836,477)	374,396	–	96,994

Restricted funds

	1 Sep 20 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	31 Aug 21 £
GAG 16-19 Allocation	589,737	5,592,704	(4,530,439)	(728,530)	–	923,472
Post Opening Grant	–	–	–	–	–	–
16-19 Bursary used for Transport	–	147,242	(188,948)	41,706	–	–
Higher Needs from ESFA	–	72,663	(139,088)	66,425	–	–
Vulnerable Bursaries	–	8,784	(9,397)	613	–	–
Rates Relief	–	46,208	(46,853)	645	–	–
16-19 Tuition Fund	–	51,906	(51,906)	–	–	–
Free School Meals	38,498	62,835	(48,896)	–	–	52,437
High Value Courses Premium	–	26,000	(26,000)	–	–	–
Next Steps South West Grant Staff	–	21,842	(16,306)	(5,536)	–	–
Teachers' Pension Grant	–	279,738	(279,738)	–	–	–
Teachers Pay Grant	–	98,998	(98,998)	–	–	–
Pension Reserve	(427,000)	–	(228,000)	–	(348,000)	(1,003,000)
	<u>201,235</u>	<u>6,408,920</u>	<u>5,664,569</u>	<u>(624,677)</u>	<u>(348,000)</u>	<u>(27,091)</u>

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

Restricted Fixed Asset Fund

	1 Sep 20 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	31 Aug 21 £
Net Book Value of fixed assets	21,427,514	–	(546,295)	250,281	–	21,131,500
Devolved Formula Capital		30,862	(30,862)	–	–	–
	<u>21,427,514</u>	<u>30,862</u>	<u>(577,157)</u>	<u>250,281</u>	<u>–</u>	<u>21,131,500</u>

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.

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

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

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

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

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

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.

Other information

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

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

Unrestricted funds

	1 Sep 19 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	31 Aug 20 £
General funds	79,232	381,956	(741,534)	383,775	—	103,429

Restricted funds

	1 Sep 19 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	31 Aug 20 £
GAG 16-19 Allocation	111,118	4,725,297	(3,617,146)	(629,532)	—	589,737
Post Opening Grant	—	190,000	(190,000)	—	—	—
16-19 Bursary used for Transport	—	124,647	(141,068)	16,421	—	—
Higher Needs Funding	—	67,256	(83,359)	16,103	—	—
Vulnerable Bursaries	136	18,344	(18,480)	—	—	—
Rates Relief	—	44,899	(44,899)	—	—	—
Free School Meals	7,907	49,214	(18,623)	—	—	38,498
Next Steps South West Grant Staff	—	5,394	(5,394)	—	—	—
Teachers' Pension Grant	—	165,993	(165,993)	—	—	—
Teachers Pay Grant	—	94,230	(94,230)	—	—	—
Pension Reserve	(131,000)	—	(109,000)	—	(187,000)	(427,000)
	(11,839)	5,485,274	(4,488,192)	(597,008)	(187,000)	201,235

Restricted Fixed Asset Fund

	1 Sep 19 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	31 Aug 20 £
Net Book Value of fixed assets	21,975,274	—	(760,993)	213,233	—	21,427,514
Devolved Formula Capital	—	22,563	(22,563)	—	—	—
	21,975,274	22,563	(783,556)	213,233	—	21,427,514

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

16. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2021 £
Tangible fixed assets	2,070	—	21,131,500	21,133,570
Current assets	94,924	1,600,160	—	1,695,084
Creditors less than 1 year	—	(624,251)	—	(624,251)
Defined benefit pension	—	(1,003,000)	—	(1,003,000)
Net assets	<u>96,994</u>	<u>(27,091)</u>	<u>21,131,500</u>	<u>21,201,403</u>

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2020 £
Tangible fixed assets	2,070	—	21,427,514	21,429,584
Current assets	101,359	1,126,905	—	1,228,264
Creditors less than 1 year	—	(498,670)	—	(498,670)
Defined benefit pension	—	(427,000)	—	(427,000)
Net assets	<u>103,429</u>	<u>201,235</u>	<u>21,427,514</u>	<u>21,732,178</u>

17. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the period (as per Statement of Financial Activities)	<u>(182,775)</u>	<u>(123,489)</u>
Adjustments for:		
Depreciation	577,157	783,556
Capital grants from DfE and other capital income	(30,862)	(22,563)
Defined benefit pension scheme cost less contributions payable	219,000	106,000
Defined benefit pension scheme finance cost	9,000	3,000
Decrease/(increase) in debtors	8,731	316,656
(Decrease)/increase in creditors	125,581	(798,178)
Net cash provided by operating activities	<u>725,832</u>	<u>264,982</u>

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

18. Cash flows from investing activities

	2021 £	2020 £
Capital funding received from sponsors	—	—
Capital grants from DfE Group	30,862	22,563
Assets funded from GAG	(281,143)	(235,796)
Net cash (used in)/provided by investing activities	(250,281)	(213,233)

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,443,592	968,041
Total cash and cash equivalents	1,443,592	968,041

20. Analysis of changes in net debt

	At 1 September 2020	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	968,041	475,551	1,443,592
	<u>968,041</u>	<u>475,551</u>	<u>1,443,592</u>

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

21. Pension commitments

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 Cornwall Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £85,299 were payable to the schemes at 31 August 2021 (2020: £67,991) and are included within creditors.

Teachers' pension scheme

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

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

Valuation of the teachers' pension scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £516,050 (2020 - £403,197).

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

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

Pension commitments *(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 scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £195,000 (2020 - £146,000), of which employer's contributions totalled £150,000 (2020 - £115,000) and employees' contributions totalled £45,000 (2020 - £31,000). The agreed contribution rates for future years are 16.7% for employers and 5.5-12.5% per cent for employees. The employer pays a further Annual Deficit Contribution of £20,000.

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.

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	2.9	2.2
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring Today		
Males	21.5	21.4
Females	24.1	23.6
Retiring in 20 Years		
Males	22.8	22.3
Females	25.8	25.1

Sensitivity analysis

	2021 £000	2020 £000
0.1% decrease in Real Discount Rate	63	168
0.1% increase in the Salary Increase Rate	3	10
0.1% increase in the Pension Increase Rate (CPI)	60	156

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

Pension commitments *(continued)*

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

	2021 £	2020 £
Equities	362,500	204,960
Corporate Bonds	218,750	131,760
Property	37,500	21,960
Cash and other liquid assets	6,250	7,320
Total market value of assets	625,000	366,000

The actual return on scheme assets was £53,125 (2020 - £40,000).

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

	2021 £	2020 £
Current service costs	(369,000)	(221,000)
Interest income	8,000	5,000
Interest cost	(17,000)	(8,000)
Total amount recognised in the statement of financial activities	(378,000)	(224,000)

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

	2021 £	2020 £
At 1 September	793,000	311,000
Current service cost	369,000	221,000
Interest cost	17,000	8,000
Employee contributions	45,000	31,000
Estimated benefits paid	(1,000)	—
Actuarial losses/(gains)	405,000	222,000
At 31 August	1,628,000	793,000

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

	2021 £	2020 £
At 1 September	366,000	180,000
Interest income	8,000	5,000
Actuarial gains	57,000	35,000
Estimated benefits paid	(1,000)	—
Employer contributions	150,000	115,000
Employee contributions	45,000	31,000
At 31 August	625,000	366,000

Callywith College Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

22. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	136,500	136,500
Later than 1 year and not later than 5 years	136,500	273,000
	<u>273,000</u>	<u>409,500</u>

23. Members' liability

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

24. Related parties

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

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 9.

25. Truro and Penwith College

Truro and Penwith College (the College) is the sponsor for Callywith College Trust (the Trust). The College has been instrumental in setting up Callywith College Trust. All of the support provided to the Trust by the College is at arm's length and in accordance with the College's financial procedures. During the year ended 31 August 2021 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 £126,291 was due from Truro and Penwith College to the Trust (2020: £16,845 owed to the College).

