

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 51

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Peter Cloke Mrs Gail Hunt Dr Elizabeth Sheridan Mr David Alan John Walrond
Trustees	Mr Jonathan Burnett, Vice Chair Mr Michael John Davis Dr Claire Gray Mr Thomas Paul Reed Mrs Debra Tarrant Dr Jonathan Grey, Principal (appointed 5 September 2019) Mr Christopher Sidney Twigg Mr Philip Richard Ugalde (resigned 30 June 2020) Mr Philip John Waller Mr David Alan John Walrond, Chair Mr Mark James Wardle, Principal (resigned 20 September 2019) Mr Tom Woodley (appointed 4 February 2020)
Company registered number	09802491
Company name	Callywith College Trust
Company secretary	Mrs Alison Jane Winter
Principal and Accounting Officer	Mr Mark James Wardle - Resigned 5 September 2019 Dr Jonathan Grey - Appointed 5 September 2019
Senior management team	Mr Mark James Wardle, Principal - resigned 5 September 2019 Dr Jonathan Grey, Assistant Principal - to 4 September 2019 Principal - from 5 September 2019 Ms Lucy Maggs, Assistant Principal - to 31 July 2020 Ms Rae Loom, Business Manager Ms Jen Brown, Assistant Principal - from 13 August 2020 Mr Allyn Jeffries, Assistant Principal - from 13 August 2020
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Chy Nyverow Newham Road Truro Cornwall TR1 2DP
Bankers	HSBC 17 Boscawen Street Truro Cornwall TR1 2QZ

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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

TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. 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 1089 in the ILR (Individualised Learner Record) in November 2019. Numbers are continuing to increase with 1250 students enrolled in 2020/21.

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 £1,000,000.

Method of recruitment and appointment or election of Trustees

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

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

- up to 6 trustees who are appointed by members
- minimum of 2 parent trustees who are elected by parents of registered pupils at the Trust
- up to 4 trustees appointed by the sponsor
- the Principal, providing he agrees so to act as a Trustee, who is appointed by the members

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

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

Organisational Structure

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

There are 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 once 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 comprised the Principal, an Assistant Principal and the Business Manager, until 13th August 2020 when 2 Assistant Principals were appointed (with the incumbent Assistant Principal leaving as at 30th July 2020). The SMT implement the policies laid down by the Trustees and report back to them on performance.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

Trade union facility time

There were no relevant union officials for the year ended 31 August 2020.

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.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

Objectives, Strategies and Activities

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

- 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

ACHIEVEMENTS AND PERFORMANCE

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

The college's first set of full results in 2018/2019 were outstanding. Our internal assessments were predicting that those that could be achieved in 2019/2020 would exceed this. However, following the cancellation of formal examinations a system for awarding calculated grades to students was created by central government.

1. Centres were asked to generate Centre Assessment Grades (CAGs) for students
 - a. A-level and GCSE: An overall judgement grade based on teacher's belief of what would have been achieved if the exams had taken place and a cohort rank order of students.
 - b. BTEC (Level 1, 2 and 3): A judgment grade for each incomplete, internally assessed unit on their qualification. And a cohort rank order.
 - c. UAL (Level 2 and 3): An extrapolated grade for the whole qualification based on completed, available work generated before lockdown (samples were required).

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

2. Individual Exam boards applied a statistical validation process (algorithm) to ensure similar distribution of grades to historical data (3 year average).
 - a. A-level and GCSE to re-align whole grade
 - b. BTEC: students awarded CAGs for internal unit and then a calculated grade for externally assessed units which preserved rank order and made best fit of cohort data with national average
 - c. UAL – no statistical manipulation required as sampled work was verified
3. Students were issued grades
 - a. A-levels students were given calculated grades before a U-turn saw them given CAG+ grades (the highest of their CAG or their calculated grade)
 - b. L3 BTEC students were given calculated grades before U-turn saw externally assessed unit grades become reflective of previous and other module achievement.
 - c. UAL were given grades which have stood
 - d. GCSE and FSK students were given CAG+ following level 3 U-turn.

Whole College

- Mean Retention Rate 99.4% (18/19: Callywith 99.6%, National 88.6%)
- Mean Pass Rate 99.9% (18/19: Callywith 97.2%, National 93.0%)
- Mean Qualification Achievement Rate 99.3% (18/19: 96.0%, National 82.9%)

A Levels

- Retention Rate 99.5% (18/19: Callywith 99.8%, National 87.6%)
- Pass Rate 100% (18/19: 100%, National 97.7%)
- Qualification Achievement Rate 99.5% (18/19: Callywith 99.5%, National 85.7%)
- High Grades A*-B 72% (18/19: Callywith 55%, National 51%)

Level 3 Extended Diplomas

- Retention Rate 100% (18/19: Callywith 99.0%, National 91.6%)
- Pass rate 100% (18/19: Callywith 100%, National 95.2%)
- Qualification Achievement Rate 100% (18/19: Callywith 99.1%, national 87.2%)
- BTEC - 81.7% Achieved Merit or higher (18/19: Callywith 81.1%, National 77.8%)
- UAL - 82.9% Achieved Merit or higher (18/19: Callywith 78.9%)

Level 3 Foundation Diploma/Diplomas

- Retention Rate 99.0% (18/19: Callywith 98.2%, National 90.2%)
- Pass rate 100% (18/19: Callywith 98.4%, National 90.9%)
- Qualification Achievement Rate 99.0% (18/19: Callywith 95.9%, National 82.8%)
- BTEC
 - 78.7% Achieved Merit or higher (18/19: Callywith 60.7%, National 59.9%)
 - 48.4% Achieved Distinction or higher (18/19: Callywith 25.4% National 23.3%)
- UAL
 - UAL courses, did not contain FD accreditation in 19/20 due to a switch of qualification enforced by Ofqual – FD accreditation will resume in 20/21.

Level 2 Vocational

- 100% Retention Rate (18/19: Callywith 98.7%, National 91.9%)
- 100% Pass Rate (18/19: Callywith 90.0%, National 89.6%)
- 100% Qualification Achievement Rate (18/19: Callywith 91.5%, National 82.4%)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

GCSEs

- GCSE English Grade 4+ Pass Rate of 69.8% (18/19: Callywith 48.7%, National 30.3%)
- GCSE Maths grade 4+ Pass Rate of 35.8% (18/19: Callywith 26.8%, National 21.1%)
- 20.1% pass at 4+ achieved at November resit, following change in delivery strategy.

Additional analysis of performance by gender, ethnicity, disadvantage and learning difficulty will be included in the college self-assessment report.

The impact of the government U-turn to award CAG+ was most profound in A-level cohorts. As BTEC and UAL qualifications utilise a modular approach to assessment, students already had large proportions of internal and external assessments achieved before lockdown and hence grades did not deviate far from the established trajectory. A-level grades however were modified significantly by the algorithm to mirror 18/19 grade distributions.

Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2019/20 were 1089, an increase of 308 on last year's student numbers. We anticipate that 2020/21 admissions will bring the college to 1250 students on site, very close to the College PAN of 1280 students.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019/20 this was 72%, compared to 74% in 2018/19.

	Target for 19/20	Long Term	Performance 19/20
Achievement of core funding	95%	95%	100%
Student enrolments against PAN	100%	100%	100%
Student enrolments against Target (until reach full capacity)	100% of PAN	100% of PAN	99%
Total Staffing as a percentage of total college income	70%	70%	72%
Retained surplus/income	2%	5%	10%
Current ratio (i.e. ratio of current assets to liabilities at year end)	2.0	2.0	2.8
Cash days in hand at year end	45	45	85

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Recruitment measures

	Target for 19/20	Performance
Recruitment of our target number of students each year.	100% against PAN	1089, +230 on PAN
Delivery of curriculum plan	90% of subjects offered to be delivered	100% of courses were delivered

Teaching and Learning measures

	Targets 19/20	Performance
Teaching, learning and assessment to be Outstanding or Good	100% of lesson observations 95% of student surveys to identify TLA as good or better	100% 95%
In-year retention rate for all students	93%	99.4%
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 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2020, the Academy received total income of £5,889,793 and incurred total expenditure of £6,013,282. The excess of expenditure over income for the year was £123,489. Excluding the fixed asset fund movement (capital grants and depreciation) and the LGPS pension charges, the net surplus on revenue funds was £533,271.

At 31 August 2020 the net book value of fixed assets was £21,429,584 and movements in tangible fixed assets are shown in note 12 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.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 based around 45 cash days is a reasonable reserve amount, £700,000. For the year ending 31st August 2020 the Trust has achieved its target and has £693,166 in free reserves (GAG and unrestricted funds).

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. In the last year 93.4% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student success and achievement are closely monitored and reviewed.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- The Trust has agreed a Risk Management Strategy, and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.
- The Trustees have assessed the major risks to which the Trust is exposed, 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 it's 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 25 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.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

FUNDRAISING

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

PLANS FOR FUTURE PERIODS

The environment in which the college opened and operates in continues to change dramatically. Very significant historical cuts in funding and shifting funding priorities and mechanisms, new legislation, intense activity in education policy-making, 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 focussed 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

In so far as the Trustees are aware:

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

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

Approved by order of the members of the Board of Trustees on
their behalf, by:

and signed on



David Walrond
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 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. The Board achieved sufficient levels of oversight as required by the Academies Financial Handbook, by all Trustees being members of committees and receiving regular updates. If required, additional meetings will be called.

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 Jonathan Grey, Principal	3	3
Dr Claire Gray	4	4
Mr Thomas Paul Reed	4	4
Mrs Debra Tarrant	2	4
Mr Christopher Sidney Twigg	4	4
Mr Philip Richard Ugalde	0	3
Mr Philip John Waller	4	4
Mr David Alan John Walrond, Chair	4	4
Mr Thomas William Woodley	1	2

During the year one Trustee was appointed as a Co-opted Trustee (previously a Parent Trustee) and a new Parent Trustee was recruited. Dr Jonathan Grey replaced Mark Wardle as Principal at the beginning of September 2019. One Trustee resigned from the Board on 30th June 2020.

A review of the effectiveness of governance is usually undertaken every year with the last one in June 2019 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 spring/summer 2019. 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.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

However, some potential areas for development were identified in the comments and feedback. Trustees recognise that the Board does not fully represent the local community and should be more diverse. Also, comments suggested the Board would benefit from increased representation from local businesses and could be better informed about local skills/employment needs. There was also a sense that the Board should develop greater community engagement and stronger relationships with stakeholders.

Feedback indicates that the membership of the Board could be strengthened by additional member(s) from the local business community and/or a finance background.

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 reporting and regulatory requirements, receiving reports from the Responsible Officer/internal auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. During the year Mr Jonathan Burnett joined the committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr Jonathan Grey	2	2
Mr Thomas Woodley	1	2
Mr Thomas Paul Reed (Chair)	3	3
Mr David Walrond	2	3
Ms Claire Gray	3	3
Mr Philip Ugalde	0	3
Mr Jonathan Burnett	2	3

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

Attendance during the year at meetings was as follows:

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The new 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Jonathan Burnett	1	1
Ms Claire Gray	1	1
Mr Thomas Paul Reed	1	1
Mr David Walrond	0	1

The Performance and Remuneration Committee was set up to discuss and advise the Board of Trustees on executive pay and performance.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Jonathan Burnett	1	1
Mr Thomas Paul Reed	1	1
Mr Philip Ugalde	0	1

The Trustees attended 65/80 meetings, with an annual rate of 81% attendance.

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar FE settings.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of learning to enable students to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- Ensuring economies of scale are achieved through sharing resources and purchasing power with Truro & Penwith College.

GOVERNANCE STATEMENT (CONTINUED)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Callywith College Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance, Employment and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

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

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

The checks carried out in the current period included:

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

On a termly basis the auditor's reports are shared with the 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. The auditors delivered their schedule of work as planned albeit with the last visit being held remotely and there were no material control issues raised.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 and signed on their behalf by:



Mr David Alan John Walrond
Chair of Trustees

Date: 14.12.20.



Dr Jonathan Grey
Accounting Officer

19/12/2020

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Callywith College I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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:

19/12/2020.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the Going Concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr David Alan John Walrond
Chair of Trustees

Date: 14.12.20.

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

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

OPINION

We have audited the financial statements of Callywith College Trust (the 'Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Alison Oliver FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Date:

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

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

In accordance with the terms of our engagement letter dated 21 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Callywith College Trust during the year 1 September 2019 to 31 August 2020 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 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Alison Oliver FCA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Date:

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	1,009	-	22,563	23,572	468,944
Charitable activities	4	331,547	5,479,880	-	5,811,427	4,077,625
Other trading activities	5	49,400	5,394	-	54,794	79,102
TOTAL INCOME		381,956	5,485,274	22,563	5,889,793	4,625,671
EXPENDITURE ON:						
Charitable activities	6	741,534	4,488,192	783,556	6,013,282	4,740,071
TOTAL EXPENDITURE		741,534	4,488,192	783,556	6,013,282	4,740,071
NET INCOME/ (EXPENDITURE)		(359,578)	997,082	(760,993)	(123,489)	(114,400)
Transfers between funds	15	383,775	(597,008)	213,233	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		24,197	400,074	(547,760)	(123,489)	(114,400)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	22	-	(187,000)	-	(187,000)	(72,000)
NET MOVEMENT IN FUNDS		24,197	213,074	(547,760)	(310,489)	(186,400)
RECONCILIATION OF FUNDS:						
Total funds brought forward		79,232	(11,839)	21,975,274	22,042,667	22,229,067
Net movement in funds		24,197	213,074	(547,760)	(310,489)	(186,400)
TOTAL FUNDS CARRIED FORWARD		103,429	201,235	21,427,514	21,732,178	22,042,667

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


The notes on pages 28 to 51 form part of these financial statements.


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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	12	21,429,584	21,977,344
		<u>21,429,584</u>	<u>21,977,344</u>
CURRENT ASSETS			
Debtors	13	260,223	453,052
Cash at bank and in hand	20	968,041	916,292
		<u>1,228,264</u>	<u>1,369,344</u>
Creditors: amounts falling due within one year	14	(498,670)	(1,173,021)
		<u>729,594</u>	<u>196,323</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,159,178</u>	<u>22,173,667</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>22,159,178</u>	<u>22,173,667</u>
Defined benefit pension scheme liability	22	(427,000)	(131,000)
TOTAL NET ASSETS		<u><u>21,732,178</u></u>	<u><u>22,042,667</u></u>
FUNDS OF THE TRUST			
Restricted funds:			
Fixed asset funds	15	21,427,514	21,975,274
Restricted income funds	15	628,235	119,161
		<u>22,055,749</u>	<u>22,094,435</u>
Restricted funds excluding pension liability	15		
Pension reserve	15	(427,000)	(131,000)
		<u>21,628,749</u>	<u>21,963,435</u>
Total restricted funds	15		
Unrestricted income funds	15	103,429	79,232
		<u>21,732,178</u>	<u>22,042,667</u>
TOTAL FUNDS		<u><u>21,732,178</u></u>	<u><u>22,042,667</u></u>

The financial statements on pages 25 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Mr David Alan John Walrond
 (Chair of Trustees)
 Date: 14.12.20.


Dr Jonathan Grey
 (Accounting Officer)
 19/12/2020

The notes on pages 28 to 51 form part of these financial statements.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	17	264,982	715,115
CASH FLOWS FROM INVESTING ACTIVITIES	19	(213,233)	409,233
CASH FLOWS FROM FINANCING ACTIVITIES	18	-	(429,497)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		51,749	694,851
Cash and cash equivalents at the beginning of the year		916,292	221,441
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20, 21	968,041	916,292

The notes on pages 28 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

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

1.3 INCOME

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

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

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

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TAXATION

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

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

1.6 TANGIBLE FIXED ASSETS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

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

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.

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 LIABILITIES

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

1.10 FINANCIAL INSTRUMENTS

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

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

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

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

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

1.12 FUND ACCOUNTING

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	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>

	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	429,497	429,497
Capital Grants	39,447	39,447
	<u>468,944</u>	<u>468,944</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 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 funding			
Sales to students	331,547	-	331,547
	331,547	-	331,547
	331,547	5,479,880	5,811,427
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant	-	3,586,204	3,586,204
Other DfE Group grants	-	69,047	69,047
	-	3,655,251	3,655,251
Other Government grants			
High Needs and Bursary funding	-	137,989	137,989
	-	137,989	137,989
Other funding			
Sales to students	284,385	-	284,385
	284,385	3,793,240	4,077,625
TOTAL 2019			

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Lettings	33,735	-	33,735
Other grants	-	5,394	5,394
Other income	15,665	-	15,665
TOTAL 2020	49,400	5,394	54,794

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Lettings	29,165	-	29,165
Other grants	-	14,077	14,077
Other income	35,860	-	35,860
	65,025	14,077	79,102

6. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
EDUCATION:				
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
TOTAL 2020	3,555,712	1,052,376	1,405,194	6,013,282

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. EXPENDITURE (CONTINUED)

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
EDUCATION:				
Direct costs	2,097,524	760,200	258,368	3,116,092
Allocated support costs	400,250	-	1,223,729	1,623,979

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

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

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Education	3,116,092	1,623,979	4,740,071

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance cost	2,137	2,137	634
Staff costs	671,860	671,860	399,616
Recruitment and support	25,429	25,429	16,289
Maintenance of premises and equipment	127,048	127,048	90,873
Cleaning	20,077	20,077	22,903
Rent and rates	49,858	49,858	54,364
Energy costs	71,837	71,837	90,983
Insurance	22,919	22,919	16,768
Security and transport	877,660	877,660	849,640
Catering	27,158	27,158	14,644
Technology costs	65,307	65,307	24,658
Office overheads	43,695	43,695	25,168
Legal and professional	94,428	94,428	12,163
Bank interest and charges	2,935	2,935	1,523
Computer consumables	576	576	3,753
	2,102,924	2,102,924	1,623,979

8. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	783,556	760,200
Fees paid to auditors for:		
- audit	4,500	3,950
- other services	6,490	4,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,663,395	2,037,056
Social security costs	236,115	153,748
Pension costs	656,202	311,047
	<u>3,555,712</u>	<u>2,501,851</u>

b. STAFF NUMBERS

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

	2020 No.	2019 No.
Management	3	4
Teachers	59	56
Support and Administration	38	30
	<u>100</u>	<u>90</u>

c. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
	<u>-</u>	<u>1</u>

d. 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 £253,857 (2019: £253,890).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. TRUSTEES' REMUNERATION AND EXPENSES

The Principal only receives remuneration in respect of services they provide 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: £80,000 - £85,000 (2019: £70,000 - £75,000), Employer's pension contributions: £10,000 - £15,000 (2019: £10,000 - £15,000) and M Wardle: Remuneration: £30,000 - £40,000, Employer's pension contributions: £NIL to £1,000.

Other related party transactions involving the Trustees are set out in note 27.

During the year ended 31 August 2020, travel expenses totalling £504 were reimbursed or paid directly to 2 Trustees (2019 - £447 to 2 Trustees).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Assets under construction £	Curriculum equipment £	Motor vehicles £	Total £
COST					
At 1 September 2019	22,345,481	-	1,100,716	36,505	23,482,702
Additions	-	160,259	75,537	-	235,796
At 31 August 2020	22,345,481	160,259	1,176,253	36,505	23,718,498
DEPRECIATION					
At 1 September 2019	889,136	-	601,620	14,602	1,505,358
Charge for the year	451,588	-	324,667	7,301	783,556
At 31 August 2020	1,340,724	-	926,287	21,903	2,288,914
NET BOOK VALUE					
At 31 August 2020	21,004,757	160,259	249,966	14,602	21,429,584
At 31 August 2019	21,456,345	-	499,096	21,903	21,977,344

13. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Other debtors	1,902	38,667
Prepayments and accrued income	174,402	378,138
Tax recoverable	83,919	36,247
	260,223	453,052

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	132,843	436,403
Other taxation and social security	52,888	42,598
Other creditors	124,315	503,895
Accruals and deferred income	188,624	190,125
	<u>498,670</u>	<u>1,173,021</u>

	2020 £	2019 £
DEFERRED INCOME		
Deferred income at 1 September 2019	159,620	56,041
Resources deferred during the year	8,850	159,620
Amounts released from previous periods	(159,620)	(56,041)
	<u>8,850</u>	<u>159,620</u>

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	79,232	381,956	(741,534)	383,775	-	103,429
RESTRICTED GENERAL FUNDS						
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)
	<u>(11,839)</u>	<u>5,485,274</u>	<u>(4,488,192)</u>	<u>(597,008)</u>	<u>(187,000)</u>	<u>201,235</u>

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Net Book Value of fixed assets	21,975,274	-	(760,993)	213,233	-	21,427,514
Devolved Formula Capital	-	22,563	(22,563)	-	-	-
	<u>21,975,274</u>	<u>22,563</u>	<u>(783,556)</u>	<u>213,233</u>	<u>-</u>	<u>21,427,514</u>
TOTAL RESTRICTED FUNDS	<u>21,963,435</u>	<u>5,507,837</u>	<u>(5,271,748)</u>	<u>(383,775)</u>	<u>(187,000)</u>	<u>21,628,749</u>
TOTAL FUNDS	<u>22,042,667</u>	<u>5,889,793</u>	<u>(6,013,282)</u>	<u>-</u>	<u>(187,000)</u>	<u>21,732,178</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.

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

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

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

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

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. STATEMENT OF FUNDS (CONTINUED)

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.

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 2020.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	3,731	363,487	(4,066)	(283,920)	-	79,232
RESTRICTED GENERAL FUNDS						
GAG 16-19 Allocation	-	3,586,204	(3,740,812)	265,726	-	111,118
16-19 Bursary used for Transport	-	82,606	(82,606)	-	-	-
Higher Needs Funding	-	43,383	(43,383)	-	-	-
Other DfE, ESFA and Government Grants	-	37,011	(28,968)	-	-	8,043
Rates Relief	-	44,036	(44,036)	-	-	-
Pension reserve	(23,000)	-	(36,000)	-	(72,000)	(131,000)
	(23,000)	3,793,240	(3,975,805)	265,726	(72,000)	(11,839)

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Restricted assets donated by sponsor	22,248,336	429,497	(760,200)	57,641	-	21,975,274
Devolved Formula Capital	-	39,447	-	(39,447)	-	-
	<u>22,248,336</u>	<u>468,944</u>	<u>(760,200)</u>	<u>18,194</u>	<u>-</u>	<u>21,975,274</u>
TOTAL RESTRICTED FUNDS	<u>22,225,336</u>	<u>4,262,184</u>	<u>(4,736,005)</u>	<u>283,920</u>	<u>(72,000)</u>	<u>21,963,435</u>
TOTAL FUNDS	<u>22,229,067</u>	<u>4,625,671</u>	<u>(4,740,071)</u>	<u>-</u>	<u>(72,000)</u>	<u>22,042,667</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	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 due within one year	-	(498,670)	-	(498,670)
Provisions for liabilities and charges	-	(427,000)	-	(427,000)
TOTAL	<u>103,429</u>	<u>201,235</u>	<u>21,427,514</u>	<u>21,732,178</u>

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	21,977,344	21,977,344
Current assets	73,575	1,238,128	57,641	1,369,344
Creditors due within one year	5,657	(1,118,967)	(59,711)	(1,173,021)
Provisions for liabilities and charges	-	(131,000)	-	(131,000)
TOTAL	79,232	(11,839)	21,975,274	22,042,667

17. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(123,489)	(114,400)
ADJUSTMENTS FOR:		
Depreciation	783,556	760,200
Capital grants from DfE and other capital income	(22,563)	(468,944)
Defined benefit pension scheme cost less contributions payable	106,000	32,000
Defined benefit pension scheme finance cost	3,000	4,000
Decrease/(increase) in debtors	316,656	(65,570)
(Decrease)/increase in creditors	(798,178)	567,829
NET CASH PROVIDED BY OPERATING ACTIVITIES	264,982	715,115

18. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Capital funding received from sponsors	-	(429,497)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	-	(429,497)

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Capital funding received from sponsors	-	429,497
Capital grants from DfE Group	22,563	39,447
Assets funded from GAG	(235,796)	(59,711)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(213,233)	409,233

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	968,041	916,292
TOTAL CASH AND CASH EQUIVALENTS	968,041	916,292

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	916,292	51,749	968,041
	916,292	51,749	968,041

22. PENSION COMMITMENTS

The 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 £67,991 were payable to the schemes at 31 August 2020 (2019 - £31,550) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £168,649 (2019 - £198,345).

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £146,000 (2019 - £96,892), of which employer's contributions totalled £115,000 (2019 - £77,677) and employees' contributions totalled £ 31,000 (2019 - £19,215). The agreed contribution rates for future years are 22.4% for 2019/20 then 16.7% per cent for employers and 5.5-12.5% per cent for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.2	2.4
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	2019
	Years	Years
<i>RETIRING TODAY</i>		
Males	21.4	21.1
Females	23.6	23.6
<i>RETIRING IN 20 YEARS</i>		
Males	22.3	22.3
Females	25.1	25

Sensitivity analysis

	2020	2019
	£000	£000
0.5% decrease in Real Discount Rate	168	70
0.5% increase in the Salary Increase Rate	10	-
0.5% increase in the Pension Increase Rate (CPI)	156	70

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Equities	204,960	95,400
Corporate Bonds	131,760	70,200
Property	21,960	12,600
Cash and other liquid assets	7,320	1,800
TOTAL MARKET VALUE OF ASSETS	366,000	180,000

The actual return on scheme assets was £40,000 (2019 - £15,000).

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

	2020 £	2019 £
Current service costs	(221,000)	(113,000)
Interest income	5,000	3,000
Interest cost	(8,000)	(4,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(224,000)	(114,000)

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

	2020 £	2019 £
AT 1 SEPTEMBER	311,000	91,000
Current service cost	221,000	113,000
Interest cost	8,000	4,000
Employee contributions	31,000	19,000
Actuarial losses/(gains)	222,000	84,000
AT 31 AUGUST	793,000	311,000

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
AT 1 SEPTEMBER	180,000	68,000
Interest income	5,000	3,000
Actuarial gains	35,000	12,000
Employer contributions	115,000	78,000
Employee contributions	31,000	19,000
AT 31 AUGUST	366,000	180,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Academy 2020 £
Not later than 1 year	136,500
Later than 1 year and not later than 5 years	273,000
	409,500

24. 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.

25. RELATED PARTY TRANSACTIONS

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 10.

CALLYWITH COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. 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 2020 the College incurred costs on behalf of the Trust totalling £380,142 (2019: £945,478), including building and curriculum equipment costs. At the year end £16,845 (2019: £462,290) was due to Truro and Penwith College.

