

Bodmin College

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Registration number: 07459742



Bodmin College

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Bodmin College

Reference and Administrative Details

Members	Jason Coad Alan Brown Laura Galvin
Governors	Jason Coad (Chair of Governing Body) Brett Elliott (Executive Principal) Alan Brown Roy Vannoey Timothy Fitzgerald Karenza Andrews (Parent Governor) David Rushton (Parent Governor) David Trewolla (Parent Governor) Gareth Morris (Staff Governor) Louise Irons (Staff Governor) (resigned 31 August 2019)
Senior Leadership Team	Emmie Seward-Adams, Principal Brett Elliott, Executive Principal Michelle Nineham, Vice Principal (left) Martin Dixon, Vice Principal Janie Craig, Assistant Principal (left) Steve Greagsby, Assistant Principal Sally Phipps, Assistant Principal (left) Karen Taylor, Assistant Principal (left) Jon Green, Assistant Principal Lynne Carter, Assistant Principal David Salter, Assistant Principal
Company Registration Number	07459742
Principal and Registered Office	Bodmin College Lostwithiel Road Bodmin Cornwall PL31 1DD
Auditors	PKF Francis Clark Chartered Accountants North Quay House Sutton Harbour Plymouth PL4 0RA

Bodmin College

Reference and Administrative Details (continued)

Bankers	Lloyds Bank Fore Street Bodmin Cornwall PL31 2HP
Solicitors	Wolferstans Deptford Chamber 60/66 North Hill Plymouth PL4 8EP

Bodmin College

Governors Report for the Year Ended 31 August 2019

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 19 serving a catchment area in North Cornwall. It has a pupil capacity of 1600 and has a roll of 1467 at 6th November 2019.

Structure, Governance and Management

Constitution

The Academy 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 Governors of Bodmin College are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Bodmin College.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

The Academy Trust through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Governors.

Policies and procedures adopted for the induction and training of Governors

The Governing Body is responsible for ensuring that appropriate training and development of governors is provided. The training and induction for governors is personalized to individual requirements and dependent upon existing experience. All new governors are introduced to the role through an agreed induction process. All governors have access to policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as governors.

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Method of recruitment and appointment or election of Governors

The makeup of the Governing Body of Bodmin College is determined by its Articles of Association. This states the number of Governors and their method of election to be as follows:

- Up to 5 Governors, may be appointed by the Members of the Academy Trust;
- Any Staff Governors may be appointed by a process determined by the Members. This is by election by staff of the Academy Trust. The number of Staff Governors (including the Principal) must not exceed one third of the total number of Governors;
- Up to 1 Local Authority (LA) Governor may be appointed by the LA;
- A minimum of 2 Parent Governors shall be elected by parents of registered pupils at the Academy Trust. A Parent Governor must be a parent of a pupil at the Academy Trust at the time when he is elected;
- The Principal shall be treated for all purposes as being an ex officio Governor;
- The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal);
- Any additional Governors where deemed necessary by the Secretary of State in accordance with Trusts Articles of Association; and
- The term of office for any Governor shall be 4 years, except for the Principal.

A Governor shall cease to hold office if he resigns his office by notice to the Academy Trust (but only if at least three Governors will remain in office when the notice of resignation is to take effect).

Arrangements for setting pay and remuneration of key management personnel

Pay for all staff is in line with the National School Teachers Pay and Conditions. Additionally, it is linked to Performance Management Policies and Procedures.

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	112

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0
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Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Organisational Structure

The Board of Governors is constituted under the Memorandum and Articles of Association and are responsible for ensuring that high standards of corporate governance are maintained. It is the Board of Governors responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board of Governors are provided with regular and timely information on the overall financial performance of the college together with information such as proposed capital expenditure, proposed college developments, outcomes against targets, and other relevant matters requiring governors input and consideration on the governance of the college.

The Board of Governors conducts its business through a single committee with sub-committees arranged as appropriate to undertake specific tasks. Full minutes of all meetings, except those deemed confidential by the Board, are available from the Clerk to the Governors at Bodmin College, Lostwithiel Road, Bodmin PL31 1DD. The Clerk to the Governors maintains a register of Governor's pecuniary interests. The register is available for inspection at the above address.

The Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Governors, who is responsible for ensuring all applicable procedures are complied with. The appointment and removal of the Clerk are matters for the Board as a whole.

Formal Agenda, papers and relevant reports are supplied to Governors in a timely manner.

The Executive Principal is the Accounting Officer for the Academy Trust. The Principal has responsibility for the internal organisation, management and control of the college, the implementation of all policies approved by the Board of Governors and for the direction of teaching and the curriculum. The Senior Leadership Team supports the Principal in the discharge of these responsibilities.

The Financial Regulations and Scheme of Delegation, as agreed and approved by the Board of Governors, sets out the financial management framework within which the College operates.

Risk management

The Governors undertake a formal risk management process to identify, assess and, where possible, establish controls for the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust and its finances. This process involves identifying the types of risk the Academy Trust faces, scoring and prioritising them in terms of their potential operational, compliance, financial and strategic impact, assessing the likelihood of occurrence and identifying means of mitigating or transferring the risks taking into account the costs relative to the benefit obtained.

In the opinion of the Governors, the Academy Trust has implemented appropriate and effective systems, procedures and internal controls (including those relating to finance set out in the Statement on Internal Control) to allow the risks identified to be managed or mitigated to an acceptable level to ensure that the Academy Trust's ambitions can be delivered.

Related Parties and other Connected Charities and Organisations

The Academy Trust is not part of any formal network such as a soft federation. It does not have any related party relationships nor is it connected to any other charities/ organisations with which it cooperates in pursuit of charitable activities.

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Objectives and Activities

Objects and Aims

The Academy Trust's object is specifically restricted to the advancement for the public benefit of education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Bodmin College provides education for boys and girls aged between 11 and 19 who live in an approximate 15-mile radius of Bodmin. There are generally about 1,200 pupils between the ages of 11 and 16, and over 350 students in the sixth form. The Academy Trust has more than 100 teachers and part time teachers supported by over 80 teaching assistants, clerical, technical, premises and refectory staff. The main College site now comprises of six main buildings, with additional accommodation at Woods Browning Industrial Estate, 400 metres away. The use of the units at Woods Browning has provided the opportunity to deliver a variety of vocational courses within state of the art environments. Courses range from beauty and hairdressing to building and digital photography.

The Academy Trust is available to groups in the community and we currently house the Talking Newspaper for North Cornwall, and the local Horizon Club for young people with learning difficulties. A number of other societies and clubs frequently use our premises and facilities for a variety of purposes.

A wide range of extra-curricular and community activities adds considerably to the quality of life in the College and to that of the town. Our Area Resource Base, the Greenfield Centre, ensures that we provide an inclusive and appropriate education provision for children in North Cornwall who have severe learning difficulties. Our policy is to integrate these young people into as many College activities and courses as possible.

Throughout 2018/19 the College has undertaken a number of capital projects to improve the fabric of its buildings and to improve facilities including:

- Fire precaution works phase 1
- The tendering and installation of two new boilers

Objectives, Strategies and Activities

The Academy Trust's main strategy is encompassed in its mission statement which is 'striving for excellence by putting the learner first.'

The key objectives of the College are to:

- improve attainment and progress for all students in all subjects
- improve educational opportunities for all students in all subjects
- improve the quality of the learning experience for all students in all subjects, and
- assist and work in partnership with parents and carers to improve student's spiritual, moral, social and cultural development.

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Public Benefit

The Academy Trust provides educational services to all children in the local area. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Bodmin College is a large, 11-19 year-old, mixed comprehensive; judged to 'require improvement' in 2017 by OFSTED. Bodmin is a North Cornish town with a population of approximately 18,000. It is an area centre for several rural villages on Bodmin Moor and the surrounding hinterland. There are 14 partner primary schools.

The Bodmin Catchment area has an overall ranking of being in the most deprived 30 – 40% of lower Layer Super Output Areas (LSOAs) in England and has associated social factors, which play a key role in the lives of young people within our College. These include scores (which are relative to specific wards) relating to employment, health deprivation and disability, education skills and training, barriers to housing and services, living environment, crime and disorder, and social deprivation affecting children.

The communities surrounding Bodmin are small and many are isolated, being poorly served by public transport. Half of our partner primary schools have fewer than 100 students with some being exceptionally small. Levels of attainment on entry are below both the Local Authority and National averages in English, Maths and Science.

The College provides a broad and balanced curriculum to meet the needs of the students it serves.

The College has an ARB (Area Resource Base) called the Greenfield Centre which is the largest in the County with 40 places. Students travel up to 30 miles to access this provision. Inclusivity is at the heart of the College ethos, we continue to provide numerous opportunities for Greenfield students and staff to participate in mainstream activities, and conversely the expertise of these staff is shared with the wider College staff.

The College has adopted the County Admissions Policy and operates the Fair Processing Protocol.

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and Performance

In 2017 OFSTED inspected the college and concluded that it 'requires improvement'. All points raised by OFSTED for consideration are included in the college OFSTED Action Plan and are linked to the College Improvement Plan.

This section sets out the key performance data for the College.

KS4				
	2016	2017	2018	2019*
Progress 8	-0.47	-0.12	-0.35	-0.35
Attainment 8 (%)	43	41	41	42
English/Maths L4+ (%)	-	44	54	55
English/Maths L5+ (%)	-	25	35	37
EBACC Entries (%)	20	24	14	10
EBACC Achievement (% for 2015, 2016 & 2017 changed to APS in 2018)	13	15	3.35 APS	3.40 aps
KS5				
A Level	C-	C	C-	C
Academic	C-	C	C	C
Applied General Level	Dist.	Dist.+	M	M-
Technical Level	Dist.+	Dist.	-	D+
*Unvalidated data				

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Key performance indicators

The key financial performance indicator for the Academy Trust is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the Academy Trust is Government or Local Authority funded and therefore the income of the Academy Trust is largely given.

An expenditure budget is set at the beginning of the year, taking into consideration the level of Government funding. The Governors have reviewed detailed capital and revenue expenditure reports compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable. The reserves held are within acceptable parameters.

Going Concern

After making appropriate enquiries, the Board of Governors 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

The Academy Trust derives the majority of its income from the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received top up funds from the Local Authority (Cornwall Council) in respect of Statements of Special Educational Need.

The Academy Trust's results show surpluses/ (deficits) before unrealised defined benefit pension scheme gains and losses and transfers in the year of:

Restricted general funds: (£176k)
Restricted fixed asset funds: £231k
Restricted pension funds: (£165k)
Unrestricted: £24k

Reserves Policy

The Academy Trust holds Restricted Reserves of £72k held for specific purposes. In addition, unrestricted reserves of £415k are held.

The Governors hold the reserves for reinvestment in the Academy Trust for specific capital developments, curriculum investment and to mitigate the impact of public sector funding cuts. Specific purpose funds are expended in compliance with the reason for which they are given.

Investment Policy

The cash balances held by the College are invested in interest earning bank accounts at the best rate that can be obtained.

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Principal Risks and Uncertainties

The principal risks and uncertainties identified by the Governors are:

- The financial impact of changes to the funding formulae for pre and post 16 schools;
- Termination of the funding agreement by the Secretary of State;
- The impact of future public spending constraints on the Academy Trust's ability to meet its obligations in terms of educational standards;
- The impact of public sector spending restraints on the Local Authority, impacting adversely on the ESG;
- Future redundancy costs of staff which will require funds to be set aside to meet their capital costs; and,
- The financial impact of a reduction in pupil numbers.

The Governors consider the level of funds held by the Academy Trust to be sufficient to mitigate any funding risks in the short and medium term. This is assessed annually and a longer term plan has been developed to ensure such financial risk is minimised.

Fundraising

Currently, the Academy Trust does not undertake any external fundraising activities. Should we do so in the future, we will adhere to our funding policy and procedures and the legal requirements set out in the Charity Act 2016 subsection 13 for fundraising.

Plans for Future Periods

The Strategic Plan sets out the Key Performance Indicators for 2015 – 2020 with the College Improvement Plan outlining the key priorities for improvement (see below).

Schedule improvement Priority 1: Quality of education; Impact ~ Raise attainment and progress through a targeted approach

Schedule improvement Priority 2: Quality of education; Intent and implementation ~ Continue to raise the quality of Teaching & Learning

Schedule improvement Priority 3: Behaviour, Attitudes and Personal Wellbeing ~ Continue to remove barriers to learning and promote personal wellbeing

Schedule improvement Priority 4: Leadership and Management ~ Develop distributed leadership opportunities that contribute clearly to whole college improvement

Schedule improvement Priority 5: Post 16 Provision ~ Continue to develop outstanding provision for Post 16

Funds Held as Custodian Trustee on Behalf of Others

The Academy and its Directors do not act as the Custodian Directors of any other Charity.

Bodmin College

Governors Report for the Year Ended 31 August 2019 (continued)

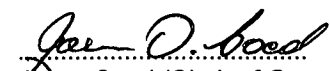
Strategic Report

Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

Governors' Report, incorporating a Strategic Report, was approved by order of the Governing Body, as the company directors, on 16/12/19 and signed on the board's behalf by:



Jason Coad (Chair of Governing Body)
Governor

Bodmin College

Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Bodmin 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.

The Governing Body has delegated the day-to-day responsibility to Brett Elliott, 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 Bodmin College and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

	Meetings attended	Out of a possible
Trustee		
Jason Coad (Chair of Governing Body)	6	6
Brett Elliott (Executive Principal)	6	6
Alan Brown	6	6
Timothy Fitzgerald	5	6
Roy Vannoey	5	6
Karenza Andrews (Parent Governor)	5	6
Gareth Morris (Staff Governor)	3	6
David Rushton (Parent Governor)	6	6
David Trewolla (Parent Governor)	6	6
Louise Irons (Staff Governor)	4	6

Bodmin College

Governance Statement (continued)

Governance reviews

The annual Review of Governance at Bodmin College involves the use of 'The Effective Governing Body – A Self-Review Tool' which is described below.

Bodmin College considers it important that the Governing Body (GB) regularly evaluates and reflects on their practice and performance. This Self-Review Tool is intended to assist the GB decide how well they are organised to exercise their powers and duties and to identify gaps in practice/performance that require action. It also helps the GB to identify development needs and to plan future training.

By undertaking this Self-Review Document the GB will be able to clearly demonstrate how it undertakes its key roles and will be able to identify how it needs to develop its skills to fulfil all of its statutory and good practice requirements.

In order to use the Self-Review Tool effectively the Chair of Governors meets with the Principal on an annual basis to manage the self-review process. This is completed in a focus session and presented to the Full Governing Body through the Self Evaluation Form [SeF] and, where appropriate, the College Improvement Plan [CIP].

The Self-Review Tool assists in the process of identifying areas of priority and uses a simple traffic light status indication highlighting whether or not it is considered that the GB 'fully, partially or do not meet' the requirements.

The self-review tool focusses on seven key areas as identified by the National Governors Association:

- Right Skills: Do we have the right skills on our Governing Body?
- Effectiveness: Are we as effective as we could be?
- Strategy: Does the school have a clear vision?
- Accountability of the executive: Do we hold school leaders to account?
- Engagement: Are we properly engaged with our school community, the wider school sector and the outside world?
- Role of the Chair of Governors: Does our Chair show strong and effective leadership?
- Impact: Are we having an impact on outcomes for pupils?

In addition to these eight key areas the GB also conducts a skills audit which is used to identify professional development and as a mechanism to assist in Governor recruitment.

As a further link through the senior leadership team (SLT) and the CIP, Governors are now linked to the hub groups to discuss and monitor progress.

In 2018/19 findings concluded that there are no areas of significant weakness.

The Annual Review of Governance is completed in the Summer Term.

Review of Value for Money

The Accounting Officer of Bodmin College accepts responsibility and accountability for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer is aware of the guide to Academy Value For Money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Bodmin College

Governance Statement (continued)

Improving Educational Results

We have ensured that resources are directed where they are most needed and most effective in meeting educational outcomes.

In 2017 Ofsted inspected the College and concluded that it 'requires improvement'.

Key performance data

Key Stage 4

Of note is the fact that due to government changes to school accountability data sets (with the exception of the destination data) cannot be compared with previous cohorts. Our results for 2018/19 are as follows:

- Attainment 8 - 41.53
- Progress 8 (unvalidated) -0.41
- 37% English and mathematics Level 5+
- 55% English and mathematics Level 4 +

Post 16

Post 16 Benchmarking	2019
A Level Qualifications	C
Academic Qualifications	C
Applied General	Merit
Technical Levels	Distinction +

Destinations (%) – 3 year lag in official data sets from DfE	2014 (%)	2015 (%)	2016 (%)	National Average 2016 (%)
Education or employment/training	84	95	86	89
Apprenticeships	12	10	11	6
Any education destination	56	67	54	61
UK higher education	35	48	43	50

Bodmin College

Governance Statement (continued)

The Academy Trust has a rigorous system of tracking student progress and achievement, with underachievement identified early and appropriate interventions put in place. The academy operates an extensive programme of lesson observations, learning walks and evaluation of lessons by teaching staff and Senior Leaders. Relevant and timely action is taken to ensure any weaknesses observed are addressed appropriately.

The academy carefully monitors Pupil Premium expenditure and its impact on improving attainment for students on Free School Meals, Children from Service Families and Children in Care. Use of the grant is published annually on the academy website.

For students aspiring to degree level courses we provide university visits, host Oxford and Cambridge advice lectures and provide supported visits to Cambridge. In addition, we run Enrichment Group sessions and focus on preparing students for interview through personalised approaches. For our younger students there are seminars run by Maximise who aim to inspire aspirational approaches for all students.

Financial Governance and Oversight

Financial governance and oversight is overseen by the Governing Body which meets half termly to receive and review the budget monitoring report for both revenue and capital spend. In addition, governors will consider and approve larger expenditure items in compliance with the Academy Trusts tender arrangements. Internal audit visits have all been very positive.

The Governing Body receives and approves the annual financial statements and the annual budget. The accounts were unqualified and no actions were required from this year's management letter.

Better Purchasing

The Academy Trust promotes fair competition through quotations and tenders, in accordance with its Financial Procedures to ensure that goods and services are procured in the most economic and effective way.

We are using the CPC for the purchase of goods this year; we have used it for of printer cartridges and regularly check prices for other supplies.

We use the SCAPE agreement to secure fees on our major capital schemes and we have in place an agreed schedule which determines how large purchases or contracts are to be procured.

The Academy Trust reviews its main service contracts on an annual basis to ensure that they are still fit for purpose and the best value for the college.

The Principal reviews and signs all purchase orders on behalf of the Academy Trust and regularly challenges these for economy and effectiveness.

Maximising Income Generation

The Academy Trust explores every opportunity to generate income via catering arrangements, the hire of our facilities and minibuses, provision of specialist support to other schools and academies.

We have made two successful bids to the Education and Skills Funding Agency in 2018/19. These bids include:

- Fire safety works - Phase 1
- Fire safety works - Phase 2

Bodmin College

Governance Statement (continued)

Reviewing Controls and Managing Risks

The Principal and Business Director review monthly budget monitoring reports addressing any significant variances from budget. These reports are also reviewed by the Governors.

The Governors review the risks and their management through the annual review of our Risk Register. The Governing Body reviews and approves the college policies including the Financial Procedures and Scheme of Delegation.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Governors have appointed Mrs Valerie Crabb as responsible officer (RO)

Bodmin College

Governance Statement (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- testing/checking of bank reconciliations
- testing the system for ordering and purchasing of goods and services against that set out in the college financial procedures manual
- testing the recruitment and payroll processes
- testing the contract procedures on capital schemes and contracts for services
- testing the Gifts and Hospitality register
- testing the budgeting procedures and monitoring of the budget throughout the year.

On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

Review of Effectiveness

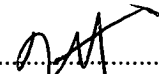
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Governing Body on 16/12/19 and signed on its behalf by:


Jason Coad (Chair of Governing Body)


Brett Elliott (Executive Principal)
Accounting officer

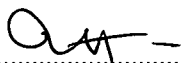
Bodmin College

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Bodmin College I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



.....
Brett Elliott, Principal
Accounting officer

Date: 16/12/19

Bodmin College

Statement of Governors' Responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors 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 the ESFA/DfE have been applied for the purposes intended.

The Governors 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 Governing Body on 16/12/19 and signed on its behalf by:



Jason Coad (Chair of Governing Body)
Governor

Bodmin College

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

Opinion

We have audited the financial statements of Bodmin College (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Other information (covers the Reference and Administrative Details, the Governors Report and Strategic Report and the Governance Statement)

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

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.

Bodmin College

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Governors Report.

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities [set out on page 20], the Governors 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 Governors 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 Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Bodmin College

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

Use of our report

This report is made solely to the Academy'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 Academy's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

K Skea
Katie Skea (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date: 16/12/19

Bodmin College

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

In accordance with the terms of our engagement letter dated 14 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bodmin College during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Bodmin College's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of Bodmin College's funding agreement with the Secretary of State for Education dated 6 December 2010 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

Bodmin College

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

K Skea

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Katie Skea

PKF Francis Clark, Chartered Accountants

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date: 16/12/19

Bodmin College

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	3,618	9,100	806,076	818,794
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	216,323	8,640,636	-	8,856,959
Other trading activities	4	72,403	-	-	72,403
Investments	5	2,930	-	-	2,930
Total		295,274	8,649,736	806,076	9,751,086
Expenditure on:					
Raising funds	6	14,352	-	-	14,352
<i>Charitable activities:</i>					
Academy trust educational operations	7	256,939	8,990,886	575,210	9,823,035
Total		271,291	8,990,886	575,210	9,837,387
Net income/(expenditure)		23,983	(341,150)	230,866	(86,301)
Transfers between funds		(234,824)	217,959	16,865	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	24	-	(605,000)	-	(605,000)
Net movement in (deficit)/funds		(210,841)	(728,191)	247,731	(691,301)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		625,393	(1,453,472)	16,964,566	16,136,487
Total funds/(deficit) carried forward at 31 August 2019		414,552	(2,181,663)	17,212,297	15,445,186

Bodmin College

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017/18 £
Income and endowments from:					
Donations and capital grants	2	4,028	-	406,213	410,241
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	250,603	8,980,330	-	9,230,933
Other trading activities	4	37,735	-	-	37,735
Investments	5	2,205	-	-	2,205
Total		294,571	8,980,330	406,213	9,681,114
Expenditure on:					
Raising funds	6	18,835	-	-	18,835
<i>Charitable activities:</i>					
Academy trust educational operations	7	235,452	9,133,717	728,450	10,097,619
Total		254,287	9,133,717	728,450	10,116,454
Net income/(expenditure)		40,284	(153,387)	(322,237)	(435,340)
Transfers between funds		(298,246)	(79,896)	378,142	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	24	-	495,000	-	495,000
Net movement in (deficit)/funds		(257,962)	261,717	55,905	59,660
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		883,355	(1,715,189)	16,908,661	16,076,827
Total funds/(deficit) carried forward at 31 August 2018		625,393	(1,453,472)	16,964,566	16,136,487

Bodmin College

(Registration number: 07459742) Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	16,966,905	16,772,760
Current assets			
Stocks	12	2,458	1,367
Debtors	13	310,203	146,645
Cash at bank and in hand		<u>1,089,276</u>	<u>1,395,750</u>
		1,401,937	1,543,762
Creditors: Amounts falling due within one year	14	<u>(644,293)</u>	<u>(653,763)</u>
Net current assets		<u>757,644</u>	<u>889,999</u>
Total assets less current liabilities		17,724,549	17,662,759
Creditors: Amounts falling due after more than one year	15	<u>(25,363)</u>	<u>(42,272)</u>
Net assets excluding pension liability		17,699,186	17,620,487
Defined benefit pension scheme liability	24	<u>(2,254,000)</u>	<u>(1,484,000)</u>
Total assets		<u>15,445,186</u>	<u>16,136,487</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		72,337	30,528
Restricted fixed asset fund		17,212,297	16,964,566
Restricted pension fund		<u>(2,254,000)</u>	<u>(1,484,000)</u>
		15,030,634	15,511,094
Unrestricted funds			
Unrestricted general fund		<u>414,552</u>	<u>625,393</u>
Total funds		<u>15,445,186</u>	<u>16,136,487</u>

The financial statements on pages 26 to 51 were approved by the Governors, and authorised for issue on 16/12/19 and signed on their behalf by:


Jason Coad (Chair of Governing Body)
Governor

Bodmin College

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	19	(329,216)	(48,223)
Cash flows from investing activities	21	39,651	(194,539)
Cash flows from financing activities	20	<u>(16,909)</u>	<u>(16,909)</u>
Change in cash and cash equivalents in the year		(306,474)	(259,671)
Cash and cash equivalents at 1 September		<u>1,395,750</u>	<u>1,655,421</u>
Cash and cash equivalents at 31 August	22	<u><u>1,089,276</u></u>	<u><u>1,395,750</u></u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 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, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Leasehold buildings	40 years straight line
Computer equipment	3 years straight line
Motor vehicles	5 years straight line
Furniture and equipment	5 - 15 years straight line

Liabilities

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

Provisions

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

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

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost 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 notes 14 and 15. 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.

Stock

Stocks are valued at the lower of cost or net realisable value.

Taxation

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

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McColud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

Fund accounting

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

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 Education Skills Funding Agency/Department for Education.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust does not use any of the allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 26.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	-	806,076	806,076	406,213
Other donations	3,618	9,100	-	12,718	4,028
	<u>3,618</u>	<u>9,100</u>	<u>806,076</u>	<u>818,794</u>	<u>410,241</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

3 Funding for Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018/19 £	Total 2017/18 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	7,762,699	7,762,699	8,088,864
Pupil premium	-	304,031	304,031	315,640
Other DfE / ESFA grants	-	46,597	46,597	35,035
	<u>-</u>	<u>8,113,327</u>	<u>8,113,327</u>	<u>8,439,539</u>
Other government grants				
Other grants	-	214,983	214,983	272,161
Non-government grants and other income				
Other income	72,173	95,598	167,771	177,131
Catering income	144,150	-	144,150	137,151
Educational visit contributions	-	216,728	216,728	204,951
	<u>216,323</u>	<u>312,326</u>	<u>528,649</u>	<u>519,233</u>
Total grants	<u>216,323</u>	<u>8,640,636</u>	<u>8,856,959</u>	<u>9,230,933</u>

4 Other trading activities

	Unrestricted funds £	2018 Total £	2017 Total £
Hire of facilities	6,095	6,095	9,924
Other income	66,308	66,308	27,811
	<u>72,403</u>	<u>72,403</u>	<u>37,735</u>

5 Investment income

	Unrestricted funds £	2018 Total £	2017 Total £
Short term deposits	<u>2,930</u>	<u>2,930</u>	<u>2,205</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure

	Non Pay Expenditure			2018/19	2017/18
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	-	-	14,352	14,352	18,835
Academy's educational operations					
Direct costs	6,724,653	-	816,413	7,541,066	7,557,144
Allocated support costs	534,917	1,186,510	560,542	2,281,969	2,540,475
	<u>7,259,570</u>	<u>1,186,510</u>	<u>1,391,307</u>	<u>9,837,387</u>	<u>10,116,454</u>

Net income/(expenditure) for the year includes:

	2018/19	2017/18
	£	£
Operating leases - other leases	90,875	81,976
Fees payable to auditor - audit	7,500	7,000
- other audit services	7,685	6,795
Depreciation	<u>575,210</u>	<u>562,322</u>

7 Charitable activities

	Total	Total
	2018/19	2017/18
	£	£
Direct costs - educational operations	7,541,066	7,557,144
Support costs - educational operations	<u>2,281,969</u>	<u>2,540,475</u>
	<u>9,823,035</u>	<u>10,097,619</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities (continued)

	Educational operations £	Total 2018/19 £	Total 2017/18 £
Analysis of support costs			
Support staff costs	534,917	534,917	613,228
Depreciation	575,210	575,210	728,450
Technology costs	-	-	16,690
Premises costs	611,300	611,300	584,156
Other support costs	537,804	537,804	570,904
Governance costs	22,738	22,738	27,047
Total support costs	<u>2,281,969</u>	<u>2,281,969</u>	<u>2,540,475</u>

8 Staff

Staff costs

	2018/19 £	2017/18 £
Staff costs during the year were:		
Wages and salaries	5,510,655	5,597,537
Social security costs	539,390	547,728
Pension costs	<u>1,042,426</u>	<u>1,136,714</u>
	7,092,471	7,281,979
Supply teacher costs	44,919	28,070
Staff restructuring costs	<u>122,180</u>	<u>47,293</u>
	<u>7,259,570</u>	<u>7,357,342</u>
	2018/19 £	2017/18 £

Staff restructuring costs comprise:

Redundancy payments	29,425	20,793
Severance payments	<u>92,755</u>	<u>26,500</u>
	<u>122,180</u>	<u>47,293</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £92,755 (2018: £26,500). Individually, the payments were:

Non-contractual payments £19,024

Non-contractual payments £19,024

Non-contractual payments £16,426

Non-contractual payments £29,060

Non-contractual payments £9,221

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	114	122
Admin/ support	67	93
Management	12	11
	<u>193</u>	<u>226</u>

Higher paid staff

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

	2018/19 No	2017/18 No
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£100,001 - £110,000	<u>-</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £825,709 (2018: £984,692).

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

9 Related party transactions - Trustees' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

Brett Elliott (Executive Principal):

Remuneration: £70,000 - £75,000 (2018 - £100,000 - £105,000)

Employer's pension contributions: £0 - £5,000 (2018 - £15,000 - £20,000)

Roy Vannoey:

Remuneration: £Nil (2018 - £0 - £5,000)

Employer's pension contributions: £Nil (2018 - £Nil)

Gareth Morris (Staff Governor):

Remuneration: £40,000 - £45,000 (2018 - £20,000 - £25,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £0 - £5,000)

Phil Sloggett (Staff Governor):

Remuneration: £Nil (2018 - £40,000 - £45,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

Louise Irons (Staff Governor):

Remuneration: £40,000 - £45,000 (2018 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

The Governors' remuneration has been prorated for their term as a Governor in the year.

Other related party transactions are set out in note 25.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £587 (2018 - £587).

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

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2018	19,535,938	630,689	43,529	961,693	21,171,849
Additions	507,367	251,322	-	10,666	769,355
At 31 August 2019	<u>20,043,305</u>	<u>882,011</u>	<u>43,529</u>	<u>972,359</u>	<u>21,941,204</u>
Depreciation					
At 1 September 2018	3,196,217	300,362	43,529	858,981	4,399,089
Charge for the year	440,826	61,029	-	73,355	575,210
At 31 August 2019	<u>3,637,043</u>	<u>361,391</u>	<u>43,529</u>	<u>932,336</u>	<u>4,974,299</u>
Net book value					
At 31 August 2019	<u>16,406,262</u>	<u>520,620</u>	<u>-</u>	<u>40,023</u>	<u>16,966,905</u>
At 31 August 2018	<u>16,339,721</u>	<u>330,327</u>	<u>-</u>	<u>102,712</u>	<u>16,772,760</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

12 Stock

	2019 £	2018 £
Clothing	<u>2,458</u>	<u>1,367</u>

13 Debtors

	2019 £	2018 £
Trade debtors	5,199	665
Prepayments	116,832	125,304
Accrued grant and other income	173,363	20,676
VAT recoverable	<u>14,809</u>	<u>-</u>
	<u>310,203</u>	<u>146,645</u>

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	46,895	101,016
Other taxation and social security	127,739	132,338
VAT repayable	-	8,061
Other creditors	38,616	71,422
Pension scheme creditor	112,991	118,598
Loans	16,909	16,909
Accruals	171,417	105,989
Deferred income	<u>129,726</u>	<u>99,430</u>
	<u>644,293</u>	<u>653,763</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	99,430	65,065
Resources deferred in the period	129,726	99,430
Amounts released from previous periods	<u>(99,430)</u>	<u>(65,065)</u>
Deferred income at 31 August 2019	<u>129,726</u>	<u>99,430</u>

Deferred income relates to income received in advance for trips which have not yet taken place, pupil premium and devolved formula capital funding.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Creditors: amounts falling due within one year (continued)

Loans of £16,909 from Salix Finance Limited which is provided on the following terms: interest free and repayable over 8 years.

15 Creditors: amounts falling due after one year

	2019 £	2018 £
Other creditors	<u>25,363</u>	<u>42,272</u>

Loans of £25,363 from Salix finance Limited which is provided on the following terms: interest free and repayable over 8 years.

16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	7,762,879	(7,981,323)	218,444	-
LA and other restricted funds	<u>30,528</u>	<u>886,857</u>	<u>(844,563)</u>	<u>(485)</u>	<u>72,337</u>
	<u>30,528</u>	<u>8,649,736</u>	<u>(8,825,886)</u>	<u>217,959</u>	<u>72,337</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	191,806	806,076	-	(752,490)	245,392
Assets gifted from LA	12,491,402	-	-	-	12,491,402
Assets purchased since conversion	<u>4,281,358</u>	<u>-</u>	<u>(575,210)</u>	<u>769,355</u>	<u>4,475,503</u>
	16,964,566	806,076	(575,210)	16,865	17,212,297
Restricted pension funds					
Pension reserve	<u>(1,484,000)</u>	<u>-</u>	<u>(165,000)</u>	<u>(605,000)</u>	<u>(2,254,000)</u>
Total restricted funds	15,511,094	9,455,812	(9,566,096)	(370,176)	15,030,634
Unrestricted funds					
Unrestricted general funds	<u>625,393</u>	<u>295,274</u>	<u>(271,291)</u>	<u>(234,824)</u>	<u>414,552</u>
Total funds	<u>16,136,487</u>	<u>9,751,086</u>	<u>(9,837,387)</u>	<u>(605,000)</u>	<u>15,445,186</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	8,088,864	(8,015,141)	(73,723)	-
LA and other restricted funds	27,811	891,465	(882,575)	(6,173)	30,528
	<u>27,811</u>	<u>8,980,329</u>	<u>(8,897,716)</u>	<u>(79,896)</u>	<u>30,528</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	86,199	406,213	-	(300,606)	191,806
Assets gifted from LA	12,980,428	-	(489,026)	-	12,491,402
Assets purchased since conversion	<u>3,842,034</u>	<u>-</u>	<u>(239,424)</u>	<u>678,748</u>	<u>4,281,358</u>
	16,908,661	406,213	(728,450)	378,142	16,964,566
Restricted pension funds					
Pension reserve	<u>(1,743,000)</u>	<u>-</u>	<u>(236,000)</u>	<u>495,000</u>	<u>(1,484,000)</u>
Total restricted funds	15,193,472	9,386,542	(9,862,166)	793,246	15,511,094
Unrestricted funds					
Unrestricted general funds	<u>883,354</u>	<u>294,573</u>	<u>(254,288)</u>	<u>(298,246)</u>	<u>625,393</u>
Total funds	<u>16,076,826</u>	<u>9,681,115</u>	<u>(10,116,454)</u>	<u>495,000</u>	<u>16,136,487</u>

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

Restricted general funds - The restricted general fund includes grants receivable from the Education and Skills Funding Agency, Department for Education and Local Authority towards the principal activity of the academy, being the provision of education.

Restricted fixed asset funds - The restricted fixed asset fund includes the leasehold property, furniture and equipment transferred to Bodmin College and grants from the Education and Skills Funding Agency and Local Authority which have been received. The fund is being reduced by depreciation in the year.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	16,966,905	16,966,905
Current assets	414,552	699,721	287,664	1,401,937
Current liabilities	-	(627,384)	(16,909)	(644,293)
Creditors over 1 year	-	-	(25,363)	(25,363)
Pension scheme liability	-	(2,254,000)	-	(2,254,000)
Total net assets	414,552	(2,181,663)	17,212,297	15,445,186

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	16,772,760	16,772,760
Current assets	625,393	643,427	274,942	1,543,762
Current liabilities	-	(612,899)	(40,864)	(653,763)
Creditors over 1 year	-	-	(42,272)	(42,272)
Pension scheme liability	-	(1,484,000)	-	(1,484,000)
Total net assets	625,393	(1,453,472)	16,964,566	16,136,487

18 Financial commitments

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	65,286	82,944
Amounts due between one and five years	70,769	67,596
	136,055	150,540

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

	2019 £	2018 £
Net expenditure	(86,301)	(435,340)
Depreciation	575,210	562,322
Capital grants from DfE and other capital income	(806,076)	(406,214)
Interest receivable	(2,930)	(2,205)
Defined benefit pension scheme cost less contributions payable	122,000	190,000
Defined benefit pension scheme finance cost	43,000	46,000
(Increase)/decrease in stocks	(1,091)	285
(Increase)/decrease in debtors	(163,558)	25,337
Decrease in creditors	(9,470)	(194,536)
Loss on disposal of tangible fixed assets	-	166,128
Net cash used in Operating Activities	<u>(329,216)</u>	<u>(48,223)</u>

20 Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	<u>(16,909)</u>	<u>(16,909)</u>
Net cash used in financing activities	<u>(16,909)</u>	<u>(16,909)</u>

21 Capital expenditure and financial investment

	2019 £	2018 £
Interest income	2,930	2,205
Purchase of tangible fixed assets	(769,355)	(602,958)
Capital grants from DfE Group	<u>806,076</u>	<u>406,214</u>
Net cash provided by/(used in) investing activities	<u>39,651</u>	<u>(194,539)</u>

22 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>1,089,276</u>	<u>1,395,750</u>
Total cash and cash equivalents	<u>1,089,276</u>	<u>1,395,750</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Members' liability

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

24 Pension and similar obligations

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

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

Contributions amounting to £112,991 (2018 - £118,598) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £764,776 (2018: £728,283).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £298,000 (2018 - £287,000), of which employer's contributions totalled £244,000 (2018 - £230,000) and employees' contributions totalled £54,000 (2018 - £57,000). The agreed contribution rates for future years are 17 per cent for employers and 5.5-12.5 per cent for employees.

Due to the scheme being in deficit lump sum amounts of £65,400 (2018: £59,300) were paid into the scheme during the year.

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

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2019 %	At 31 August 2018 %
Rate of increase in salaries	2.40	2.50
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>1.80</u>	<u>2.80</u>

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males retiring today	21.10	22.10
Females retiring today	23.60	24.50
Retiring in 20 years		
Males retiring in 20 years	22.30	24.00
Females retiring in 20 years	<u>25.00</u>	<u>26.40</u>

Sensitivity analysis

	At 31 August 2019 £	At 31 August 2018 £
0.5% decrease in Real Discount Rate	871,000	666,000
0.5% increase in the Salary Increase Rate	122,000	105,000
0.5% increase in the Pension Increase Rate	<u>731,000</u>	<u>553,000</u>

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

	2019 £	2018 £
Equities	2,485,000	1,920,000
Other bonds	1,829,000	1,685,000
Property	328,000	274,000
Cash and other liquid assets	<u>47,000</u>	<u>40,000</u>
Total market value of assets	<u>4,689,000</u>	<u>3,919,000</u>

The actual return on scheme assets was £403,000 (2018 - £103,000).

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019 £	2018 £
Current service cost	359,000	420,000
Past service cost	7,000	-
Net interest cost	43,000	46,000
Total operating charge	<u>409,000</u>	<u>466,000</u>

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

	2018 £	2017 £
At start of period	5,403,000	5,214,000
Current service cost	359,000	420,000
Interest cost	156,000	136,000
Employee contributions	54,000	57,000
Actuarial (gain)/loss	1,008,000	(392,000)
Benefits paid	(44,000)	(32,000)
Past service cost	7,000	-
At 31 August	<u>6,943,000</u>	<u>5,403,000</u>

Movements in the fair value of academy's share of scheme assets

	2018 £	2017 £
At start of period	3,919,000	3,471,000
Interest income	113,000	90,000
Actuarial gain/(loss)	403,000	103,000
Employer contributions	244,000	230,000
Employee contributions	54,000	57,000
Benefits paid	(44,000)	(32,000)
At 31 August	<u>4,689,000</u>	<u>3,919,000</u>

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Governors may have 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.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

Close family member of a Director

(This related party is a close family member of a Director)

The close family member was employed by the Trust in the prior year, they were not employed by the trust at any point during the current year. During the year the close family member was paid a gross salary of £Nil (2018 - £13,744).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Close family member of a Director was £Nil (2018 - £Nil).

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £51,747 and disbursed £60,340 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2018 are £63,217 received, £57,978 disbursed and £12,895 included in other creditors.