

Bodmin College

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Registration number: 07459742

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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 (Principal) Alan Brown Roy Vannoey (Staff Governor) Laura Galvin (Vice Chair of Governing Body) (resigned 30 November 2017) Phil Sloggett (Staff Governor) (resigned 3 January 2018) Timothy Fitzgerald Christopher Batters (resigned 28 October 2017) Louise Irons (Staff Governor) Karenza Andrews (Parent Governor) David Rushton (Parent Governor) David Trewolla (Parent Governor) Gareth Morris (Staff Governor) (appointed 19 February 2018)
Senior Leadership Team	Brett Elliott, Principal Michelle Nineham, Vice Principal Martin Dixon, Vice Principal Janie Craig, Assistant Principal Steve Greagsby, Assistant Principal Sally Phipps, Assistant Principal Karen Taylor, Assistant Principal Jon Green, Assistant Principal Lynne Carter, Assistant Principal Emmie Seward-Adams, Assistant Principal David Salter, Assistant Principal
Company Registration Number	07459742
Principal and Registered Office	Bodmin College Lostwithiel Road Bodmin Cornwall PL31 1DD

Bodmin College

Reference and Administrative Details (continued)

Auditors	PKF Francis Clark Chartered Accountants North Quay House Sutton Harbour Plymouth PL4 0RA
Bankers	National Westminster Bank Fore Street Bodmin Cornwall PL31 2HX
Solicitors	Wolferstans Deptford Chamber 60/66 North Hill Plymouth PL4 8EP

Bodmin College

Governors Report for the Year Ended 31 August 2018

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. 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 had a roll of 1429 in the school census on 11th July 2018.

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 given a tour of the College and the opportunity to meet staff and students. All governors have access to policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as governors. As there tend to be only a few new governors a year, induction tends to be done informally and is tailored specifically to the individual.

Bodmin College

Governors Report for the Year Ended 31 August 2018 (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 2018 (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
0100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the percentage of the total pay bill spent on facility time, calculated as: $\frac{(\text{total cost of facility time} \div \text{total pay bill}) \times 100}{100}$	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: $\frac{(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100}{100}$	0
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Bodmin College

Governors Report for the Year Ended 31 August 2018 (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 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 2018 (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 2017/18 the College has undertaken a number of capital projects to improve the fabric of its buildings and to improve facilities including:

- The installation of automated doors and accessibility ramps in key areas of the College
- A new roof on the Technology block
- New classroom block (The Beacon Block)
- The Cleaning has moved through tender to KGB.

Throughout 2016/17 the College has undertaken a number of capital projects to improve the fabric of its buildings and to improve facilities including:

- The installation of automated doors and accessibility ramps in key areas of the College
- The complete replacement of the Window Walling to two major buildings - The Bell Building and a partial replacement to the Robartes Building
- A new roof on the Technology block
- New staff and student toilets
- The Canteen has moved through tender to Aspens, with new cashless system; furniture and grab and go areas put in place.

Bodmin College

Governors Report for the Year Ended 31 August 2018 (continued)

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.

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. In total, there are 14 partner primary schools whose students attend the College, the only secondary school in Bodmin.

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 35 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 under the Fair Processing Protocol.

Bodmin College

Governors Report for the Year Ended 31 August 2018 (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	2015	2016	2017	2018*
Progress 8	-0.73	-0.47	-0.12	-0.35
Attainment 8 (%)	40	43	41	41
English/Maths L4+ (%)	-	-	44	54
English/Maths L5+ (%)	-	-	25	35
EBACC Entries (%)	12	20	24	14
EBACC Achievement (% for 2015, 2016 & 2017 changed to APS in 2018)	7	13	15	3.35 APS
KS5				
A Level	C-	C-	C	C
Academic	C-	C-	C	C
Applied General Level	-	Dist.	Dist.+	M-
Technical Level	-	Dist.+	Dist.	-
*Unvalidated data				

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 carry forward General Annual Grant is 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.

Bodmin College

Governors Report for the Year Ended 31 August 2018 (continued)

Strategic Report

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 2018 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: £83k

Restricted fixed asset funds: (£322k)

Restricted pension funds: (£236k)

Unrestricted: £40k

Reserves Policy

The Academy Trust holds Restricted Reserves of £31k held for specific purposes. In addition, unrestricted reserves of £625k 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 which can be obtained.

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.

Bodmin College

Governors Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Fundraising

Currently, the college 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).

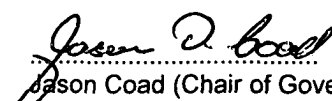
PRIORITIES 2018 – 2020				
Priority 1				
EBACC subject focus and implementation of PiXL strategies for improvement		Groups – Boys, Middle and High prior attainment and, disadvantaged students and those with SEND		
Ensure consistency for all year groups of data recording, analysis and reporting	Continue to reduce exclusions	Continue to raise levels of attendance (esp. FSM)	Ensure all students across KS5 receive high quality academic tutoring	
Priority 2				
Develop holistic timetabling approach to include SEND and ARB	Embed and develop CPD Programme with consideration of central recording system	Embed and develop the preliminary support programme	Continue to develop the Pupil Premium strategy – Commit to Success	Develop Staff Coaching model and embed into practice
Whist all priorities have 'lead' staff the CIP will be reviewed regularly – all of the SLT support and contribute to all areas of whole school improvement.				

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 10/12/18 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 8 times during the year.

Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Jason Coad (Chair of Governing Body)	8	8
Brett Elliott (Principal)	8	8
Alan Brown	8	8
Laura Galvin (Vice Chair of Governing Body)	1	3
Timothy Fitzgerald	7	8
Phil Sloggett (Staff Governor)	2	4
Louise Irons (Staff Governor)	5	8
Christopher Batters	1	2
Karenza Andrews (Parent Governor)	8	8
Roy Vannoey (Staff Governor)	7	8
David Rushton (Parent Governor)	5	8
David Trewolla (Parent Governor)	7	8
Gareth Morris (Staff Governor)	3	3

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 2017/18 findings concluded that there are no areas of significant weakness.

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

Bodmin College

Governance Statement (continued)

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.

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 2017/18 are as follows:

- Progress 8 - unvalidated data from the DfE reveals a score of -0.35

Post 16

Post 16 Benchmarking	2018
A Level Qualifications	C 28.35 -0.23
Academic Qualifications	C 28.91 -0.18
Applied General	Merit 21.56 0.00
Technical Levels	NA

Destinations (%) - 3 year lag in official data sets from DfE	2014 (%)	2015 (%)	Expected 2018 (%)	National Average 2015 (%)
Education and Employment	84	95	100	89
Education	56	67	69	66
Higher Education	35	48	58	51
Russell Group University	3	8	10	12
Oxbridge	0	0	0	1
Apprenticeships	12	10	4	7
Employment	27	28	17	23
Gap Year	N/A	3	8	3

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 2016/17 for projects in 2017/18. These bids include:

- Elliott Hut Replacement - £312,290 awarded by the ESFA
- Technology Roof replacement - £265,489

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 2018 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 2018 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, through the finance committee 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.

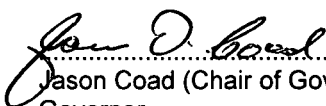
Review of Effectiveness


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 10/12/18 and signed on its behalf by:


Jason Coad (Chair of Governing Body)
Governor


Brett Elliott (Principal)
Governor

Bodmin College

Statement on 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 2017.

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 2017.

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: 10/12/18

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 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 2017 to 2018;
- 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 10/12/18 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 2018, 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 2018 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 2017 to 2018; 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

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.

We have nothing to report in this regard.

Bodmin College

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

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 19], 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 and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date: 10/12/18

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 27 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 may 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 the Governing Body'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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....*KSkea*.....

Katie Skea
PKF Francis Clark, Chartered Accountants

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date:.....*10/12/18*.....

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 £	2017/18 Total £
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		<u>294,571</u>	<u>8,980,330</u>	<u>406,213</u>	<u>9,681,114</u>
Expenditure on:					
Raising funds	6	18,835	-	-	18,835
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>235,452</u>	<u>9,133,717</u>	<u>728,450</u>	<u>10,097,619</u>
Total		<u>254,287</u>	<u>9,133,717</u>	<u>728,450</u>	<u>10,116,454</u>
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	<u>-</u>	<u>495,000</u>	<u>-</u>	<u>495,000</u>
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		<u>883,355</u>	<u>(1,715,189)</u>	<u>16,908,661</u>	<u>16,076,827</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>625,393</u>	<u>(1,453,472)</u>	<u>16,964,566</u>	<u>16,136,487</u>

Bodmin College

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	207	-	824,179	824,386
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	325,541	8,733,033	-	9,058,574
Other trading activities	4	51,130	-	-	51,130
Investments	5	1,927	-	-	1,927
Total		378,805	8,733,033	824,179	9,936,017
Expenditure on:					
Raising funds	6	23,628	-	-	23,628
<i>Charitable activities:</i>					
Academy trust educational operations	7	351,649	9,005,210	583,399	9,940,258
Total		375,277	9,005,210	583,399	9,963,886
Net income/(expenditure)		3,528	(272,177)	240,780	(27,869)
Transfers between funds		(177,794)	(111,581)	289,375	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	24	-	1,032,000	-	1,032,000
Net movement in (deficit)/funds		(174,266)	648,242	530,155	1,004,131
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		1,057,620	(2,363,431)	16,378,506	15,072,695
Total funds/(deficit) carried forward at 31 August 2017		883,354	(1,715,189)	16,908,661	16,076,826

Bodmin College

(Registration number: 07459742) Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	16,772,760	16,898,252
Current assets			
Stocks	12	1,367	1,652
Debtors	13	146,645	171,981
Cash at bank and in hand		<u>1,395,750</u>	<u>1,655,421</u>
		1,543,762	1,829,054
Creditors: Amounts falling due within one year	14	<u>(653,763)</u>	<u>(848,299)</u>
Net current assets		<u>889,999</u>	<u>980,755</u>
Total assets less current liabilities		17,662,759	17,879,007
Creditors: Amounts falling due after more than one year	15	<u>(42,272)</u>	<u>(59,181)</u>
Net assets excluding pension liability		17,620,487	17,819,826
Defined benefit pension scheme liability	24	<u>(1,484,000)</u>	<u>(1,743,000)</u>
Total assets		<u><u>16,136,487</u></u>	<u><u>16,076,826</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		30,528	27,811
Restricted fixed asset fund		16,964,566	16,908,661
Restricted pension fund		<u>(1,484,000)</u>	<u>(1,743,000)</u>
		15,511,094	15,193,472
Unrestricted funds			
Unrestricted general fund		<u>625,393</u>	<u>883,354</u>
Total funds		<u><u>16,136,487</u></u>	<u><u>16,076,826</u></u>

The financial statements on pages 25 to 51 were approved by the Governors, and authorised for issue on 10/12/18 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	19	(48,223)	(280,173)
Cash flows from investing activities	21	(194,539)	(184,341)
Cash flows from financing activities	20	<u>(16,909)</u>	<u>(16,909)</u>
Change in cash and cash equivalents in the year		(259,671)	(481,423)
Cash and cash equivalents at 1 September		<u>1,655,421</u>	<u>2,136,844</u>
Cash and cash equivalents at 31 August	22	<u><u>1,395,750</u></u>	<u><u>1,655,421</u></u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018

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 2017 to 2018 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 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 2018 (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 2018 (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 fixtures	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 2018 (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 2018 (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.

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.

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.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2018. 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 ESFA. Payments received from the ESFA 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 can use up to 10% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 26.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Capital grants	<u>4,028</u>	<u>406,213</u>	<u>410,241</u>	<u>824,386</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	8,088,864	8,088,864	7,917,619
Pupil premium	-	315,640	315,640	331,442
Other DfE / ESFA grants	-	35,035	35,035	31,888
	-	8,439,539	8,439,539	8,280,949
Other government grants				
Other grants	-	272,161	272,161	162,289
Non-government grants and other income				
Other income	113,452	63,679	177,131	161,635
Catering income	137,151	-	137,151	195,283
Educational visit contributions	-	204,951	204,951	258,418
	250,603	268,630	519,233	615,336
Total grants	250,603	8,980,330	9,230,933	9,058,574

4 Other trading activities

	Unrestricted funds £	2018 Total £	2017 Total £
Hire of facilities	9,924	9,924	10,281
Other income	27,811	27,811	40,849
	37,735	37,735	51,130

5 Investment income

	Unrestricted funds £	2018 Total £	2017 Total £
Short term deposits	2,205	2,205	1,927

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure

	Non Pay Expenditure			2018	2017
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	-	1,000	17,835	18,835	23,628
Academy's educational operations					
Direct costs	6,744,114	-	813,030	7,557,144	7,449,824
Allocated support costs	613,228	1,312,606	614,641	2,540,475	2,490,434
	<u>7,357,342</u>	<u>1,313,606</u>	<u>1,445,506</u>	<u>10,116,454</u>	<u>9,963,886</u>

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Operating leases - other leases	81,976	87,279
Fees payable to auditor - audit	7,000	7,000
- other audit services	6,795	5,282
Depreciation	<u>562,322</u>	<u>582,461</u>

Included within expenditure are the following transactions.

Individual items above £5,000

	Amount £	Reason
Fixed asset losses	166,128	One building was demolished to make way for a new set of classrooms in the year.

7 Charitable activities

	Total	Total
	2018	2017
	£	£
Direct costs - educational operations	7,557,144	7,449,824
Support costs - educational operations	<u>2,540,475</u>	<u>2,490,434</u>
	<u>10,097,619</u>	<u>9,940,258</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Charitable activities (continued)

	Educational operations £	Total 2018 £	Total 2017 £
Analysis of support costs			
Support staff costs	613,228	613,228	644,166
Depreciation and losses on disposal of fixed assets	728,450	728,450	583,399
Technology costs	16,690	16,690	21,608
Premises costs	584,156	584,156	582,354
Other support costs	570,904	570,904	629,707
Governance costs	27,047	27,047	29,200
Total support costs	2,540,475	2,540,475	2,490,434

8 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	5,597,537	5,605,775
Social security costs	547,728	538,043
Operating costs of defined benefit pension schemes	1,136,714	1,074,042
	7,281,979	7,217,860
Supply teacher costs	28,070	9,270
Staff restructuring costs	47,293	-
	7,357,342	7,227,130
		2018 £

Staff restructuring costs comprise:

Redundancy payments	20,793
Severance payments	26,500
	47,293

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £26,500 (2017: £Nil). Individually, the payments were:

Non-contractual payments £26,500 made on 14 December 2017

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Staff numbers

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

	2018 No	2017 No
Charitable Activities		
Teachers	122	122
Admin/ support	93	99
Management	11	11
	<u>226</u>	<u>232</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No	2017 No
£60,001 - £70,000	2	2
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</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 £984,692 (2017 - £878,345).

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 (Principal):

Remuneration: £100,000 - £105,000 (2017 - £95,000 - £100,000)

Employer's pension contributions: £15,000 - £20,000 (2017 - £15,000 - £20,000)

Roy Vannoey (Staff Governor):

Remuneration: £0 - £5,000 (2017 - £0 - £5,000)

Employer's pension contributions: £Nil (2017 - £Nil)

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Related party transactions - Trustees' remuneration and expenses (continued)

Phil Sloggett (Staff Governor):

Remuneration: £10,000 - £15,000 (2017 - £35,000 - £40,000)

Employer's pension contributions: £0 - £5,000 (2017 - £5,000 - £10,000)

Gareth Morris (Staff Governor):

Remuneration: £20,000 - £25,000 (2017 - £Nil)

Employer's pension contributions: £0 - £5,000 (2017 - £Nil)

Louise Irons (Staff Governor):

Remuneration: £40,000 - £45,000 (2017 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £0 - £5,000)

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 2018 was £587 (2017 - £639).

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 2018 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	19,193,185	602,189	43,529	929,342	20,768,245
Additions	542,107	28,500	-	32,351	602,958
Disposals	(199,354)	-	-	-	(199,354)
At 31 August 2018	<u>19,535,938</u>	<u>630,689</u>	<u>43,529</u>	<u>961,693</u>	<u>21,171,849</u>
Depreciation					
At 1 September 2017	2,792,404	246,437	43,529	787,623	3,869,993
Charge for the year	437,039	53,925	-	71,358	562,322
Eliminated on disposals	(33,226)	-	-	-	(33,226)
At 31 August 2018	<u>3,196,217</u>	<u>300,362</u>	<u>43,529</u>	<u>858,981</u>	<u>4,399,089</u>
Net book value					
At 31 August 2018	<u>16,339,721</u>	<u>330,327</u>	<u>-</u>	<u>102,712</u>	<u>16,772,760</u>
At 31 August 2017	<u>16,400,781</u>	<u>355,752</u>	<u>-</u>	<u>141,719</u>	<u>16,898,252</u>

Included in "Leasehold land and buildings" are £Nil (2017: £78,568) of assets under the course of construction. In line with accounting standards no depreciation has been charged on these assets.

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Stock

	2018 £	2017 £
Clothing	<u>1,367</u>	<u>1,652</u>

13 Debtors

	2018 £	2017 £
Trade debtors	665	1,739
Prepayments	125,304	79,612
Accrued grant and other income	20,676	22,949
VAT recoverable	-	67,681
	<u>146,645</u>	<u>171,981</u>

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	101,016	285,311
Other taxation and social security	132,338	135,837
VAT repayable	8,061	-
Other creditors	89,032	112,608
Pension scheme creditor	117,897	113,904
Accruals	105,989	135,574
Deferred income	<u>99,430</u>	<u>65,065</u>
	<u>653,763</u>	<u>848,299</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	65,065	370,116
Resources deferred in the period	99,430	65,065
Amounts released from previous periods	<u>(65,065)</u>	<u>(370,116)</u>
Deferred income at 31 August 2018	<u>99,430</u>	<u>65,065</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 2018 (continued)

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

Included within other creditors is a loan of £16,909 (2017 - £16,909) from Salix Finance Limited which is provided on the following terms: The loan is interest free and repayable over 8 years.

15 Creditors: amounts falling due after one year

	2018 £	2017 £
Other creditors	<u>42,272</u>	<u>59,181</u>

Included within other creditors is a loan of £42,272 (2017 - 59,181) from Salix Finance Limited which is provided on the following terms: The loan is interest free and repayable over 8 years.

16 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	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	<u>27,811</u>	<u>891,465</u>	<u>(882,575)</u>	<u>(6,173)</u>	<u>30,528</u>
	<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>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	184,701	7,917,619	(7,992,326)	(109,994)	-
LA and other restricted funds	21,868	815,415	(807,884)	(1,588)	27,811
	<u>206,569</u>	<u>8,733,034</u>	<u>(8,800,210)</u>	<u>(111,582)</u>	<u>27,811</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	-	824,179	-	(737,980)	86,199
Assets gifted from LA	13,318,310	-	(337,882)	-	12,980,428
Assets purchased since conversion	<u>3,060,196</u>	<u>-</u>	<u>(245,518)</u>	<u>1,027,356</u>	<u>3,842,034</u>
	16,378,506	824,179	(583,400)	289,376	16,908,661
Restricted pension funds					
Pension reserve	<u>(2,570,000)</u>	<u>-</u>	<u>(205,000)</u>	<u>1,032,000</u>	<u>(1,743,000)</u>
Total restricted funds	14,015,075	9,557,213	(9,588,610)	1,209,794	15,193,472
Unrestricted funds					
Unrestricted general funds	<u>1,057,620</u>	<u>378,804</u>	<u>(375,276)</u>	<u>(177,794)</u>	<u>883,354</u>
Total funds	<u>15,072,695</u>	<u>9,936,017</u>	<u>(9,963,886)</u>	<u>1,032,000</u>	<u>16,076,826</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	184,701	16,006,483	(16,007,467)	(183,717)	-
LA and other restricted funds	21,868	1,706,880	(1,690,459)	(7,761)	30,528
	<u>206,569</u>	<u>17,713,363</u>	<u>(17,697,926)</u>	<u>(191,478)</u>	<u>30,528</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	-	1,230,392	-	(1,038,586)	191,806
Assets gifted from LA	13,318,310	-	(826,908)	-	12,491,402
Assets purchased since conversion	3,060,196	-	(484,942)	1,706,104	4,281,358
	<u>16,378,506</u>	<u>1,230,392</u>	<u>(1,311,850)</u>	<u>667,518</u>	<u>16,964,566</u>
Restricted pension funds					
Pension reserve	(2,570,000)	-	(441,000)	1,527,000	(1,484,000)
Total restricted funds	14,015,075	18,943,755	(19,450,776)	2,003,040	15,511,094
Unrestricted funds					
Unrestricted general funds	1,057,620	673,377	(629,564)	(476,040)	625,393
Total funds	<u>15,072,695</u>	<u>19,617,132</u>	<u>(20,080,340)</u>	<u>1,527,000</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 2018 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	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	<u>625,393</u>	<u>(1,453,472)</u>	<u>16,964,566</u>	<u>16,136,487</u>

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	-	-	16,898,252	16,898,252
Current assets	883,355	763,818	181,881	1,829,054
Current liabilities	-	(736,007)	(112,292)	(848,299)
Creditors over 1 year	-	-	(59,181)	(59,181)
Pension scheme liability	-	(1,743,000)	-	(1,743,000)
Total net assets	<u>883,355</u>	<u>(1,715,189)</u>	<u>16,908,660</u>	<u>16,076,826</u>

18 Financial commitments

Operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	82,944	81,976
Amounts due between one and five years	<u>67,596</u>	<u>70,552</u>
	<u>150,540</u>	<u>152,528</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	2018 £	2017 £
Net expenditure	(435,340)	(27,869)
Depreciation	562,322	583,399
Capital grants from DfE and other capital income	(406,214)	(824,178)
Interest receivable	(2,205)	(1,927)
Defined benefit pension scheme cost less contributions payable	190,000	149,000
Defined benefit pension scheme finance cost	46,000	56,000
Decrease in stocks	285	4,727
Decrease in debtors	25,337	9,091
Decrease in creditors	(194,536)	(228,416)
Loss on disposal of tangible fixed assets	166,128	-
Net cash used in Operating Activities	<u>(48,223)</u>	<u>(280,173)</u>

20 Cash flows from financing activities

	2018 £	2017 £
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

	2018 £	2017 £
Interest income	2,205	1,927
Purchase of tangible fixed assets	(602,958)	(1,010,446)
Capital grants from DfE Group	<u>406,214</u>	<u>824,178</u>
Net cash used in investing activities	<u>(194,539)</u>	<u>(184,341)</u>

22 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>1,395,750</u>	<u>1,655,421</u>
Total cash and cash equivalents	<u>1,395,750</u>	<u>1,655,421</u>

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (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 £117,897 (2017 - £113,904) 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 2018 (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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £728,283 (2017: £714,012).

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 2018 was £287,000 (2017 - £274,000), of which employer's contributions totalled £230,000 (2017 - £219,000) and employees' contributions totalled £57,000 (2017 - £55,000). 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 £59,300 (2017: £32,183) were paid into the scheme during the year.

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	2.50	2.50
Rate of increase for pensions in payment/inflation	2.40	2.40
Discount rate for scheme liabilities	<u>2.80</u>	<u>2.50</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 2018	At 31 August 2017
Retiring today		
Males retiring today	22.10	22.10
Females retiring today	24.50	24.50
Retiring in 20 years		
Males retiring in 20 years	24.00	24.00
Females retiring in 20 years	<u>26.40</u>	<u>26.40</u>

Sensitivity analysis

	At 31 August 2018 £	At 31 August 2017 £
0.5% decrease in Real Discount Rate	666,000	634,000
0.5% increase in the Salary Increase Rate	105,000	110,000
0.5% increase in the Pension Increase Rate	<u>553,000</u>	<u>514,000</u>

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

	2018 £	2017 £
Equities	1,920,000	1,631,000
Other bonds	1,685,000	1,493,000
Property	274,000	243,000
Cash and other liquid assets	<u>40,000</u>	<u>104,000</u>
Total market value of assets	<u>3,919,000</u>	<u>3,471,000</u>

The actual return on scheme assets was £103,000 (2017 - (£20,000)).

Bodmin College

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	420,000	368,000
Net interest cost	46,000	56,000
Total operating charge	<u>466,000</u>	<u>424,000</u>

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

	2018 £	2017 £
At start of period	5,214,000	5,749,000
Current service cost	420,000	368,000
Interest cost	136,000	125,000
Employee contributions	57,000	55,000
Actuarial (gain)/loss	(392,000)	(1,052,000)
Benefits paid	<u>(32,000)</u>	<u>(31,000)</u>
At 31 August	<u>5,403,000</u>	<u>5,214,000</u>

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

	2018 £	2017 £
At start of period	3,471,000	3,179,000
Interest income	90,000	69,000
Actuarial gain/(loss)	103,000	(20,000)
Employer contributions	230,000	219,000
Employee contributions	57,000	55,000
Benefits paid	<u>(32,000)</u>	<u>(31,000)</u>
At 31 August	<u>3,919,000</u>	<u>3,471,000</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 2018 (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)

During the year the close family member was employed by the Trust and was paid a gross salary of £13,744 (2017 - £12,656).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due to Close family member of a Director was £Nil (2017 - £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 2018 the trust received £63,217 and disbursed £57,978 from the fund. An amount of £12,895 (2017: £7,656) is included in other creditors relating to undistributed funds that is repayable to ESFA.