

**PENRYN COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Company Registration No. 07654298 England and Wales

# PENRYN COLLEGE

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# PENRYN COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

CR Ansell  
P Walker  
R Rawley  
M Parsons

### Trustees

CR Ansell  
E Brooks  
MJ Proudfoot (Deceased 7 February 2020)  
RE Rawley  
MS Parsons (Chair)  
L Everall (Resigned 7 July 2020)  
J Roberts  
G Harries  
P Walker (Accounting Officer)  
RGC Misselbrook (Resigned 4 September 2019)  
L Skittrall  
MG Ransom  
J Woodward (Appointed 6 September 2019)  
JA Scarborough (Appointed 16 December 2019)

### Senior management team

- Headteacher	P Walker
- Deputy headteacher	T Schouten
- Assistant headteacher	D Mather
- Assistant headteacher	J Harvey
- Assistant headteacher	J Lushington
- Director of business development & operations	D Cunningham
- Leading practitioner	B Laing

**Company registration number** 07654298 (England and Wales)

**Principal address** Kernick Road  
PENRYN  
Cornwall  
TR10 8PZ

**Registered office** Kernick Road  
PENRYN  
Cornwall  
TR10 8PZ

**Independent auditor** RRL LLP  
Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

# PENRYN COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Bankers

Lloyds  
11/12 Killigrew Street  
FALMOUTH  
Cornwall  
TR11 3RA

### Solicitors

Browne Jacobson LLP  
1 Manor Court  
Dix's Field  
EXETER  
Devon  
EX1 1UP

# PENRYN COLLEGE

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates a secondary school for pupils aged 11 to 16 serving a catchment area in Penryn, Cornwall. It has a pupil capacity of 1,050 and had a roll of 1,149 in the school census in September 2019.

#### **Structure, governance and management**

##### Constitution

The academy 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.

The trustees of Penryn College are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

In accordance with normal commercial practice the charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance provides cover up to £5 million in aggregate for each policy year.

##### Method of recruitment and appointment or election of trustees

The charitable company's governing body comprises the Headteacher, a minimum of two parent trustees and any number of staff trustees (providing that the total number of trustees, including the Headteacher, who are employees of the charitable company, does not exceed one third of the total number of trustees).

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

- up to 15 trustees who are appointed by members;
- up to 1 LA trustee who is appointed by the Local Authority;
- a minimum of 2 parent trustees who are elected by parents of registered pupils at the charitable company;
- any staff trustees appointed by the governing body;
- up to 3 co-opted trustees who are appointed by the governing body; and
- the Headteacher who is treated for all purposes as being an ex officio trustee.

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

When appointing new trustees, the board will give consideration to the skills and experience mix of existing trustees in order to ensure that the board has the necessary skills to contribute fully to the charitable company's development.

##### Policies and procedures adopted for the induction and training of trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities, and are required to attend the new trustee training course provided by Cornwall Council.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Organisational structure

Penryn College has followed the organisational structure laid down in the Articles of Association that were registered with Companies House on 1 June 2011. The trustees of Penryn College have overall responsibility for the management of the charity. Day to day management is delegated to the Headteacher and senior leadership team via a scheme of delegation which is reviewed annually. The Headteacher is Accounting Officer for the charitable company.

The structure consists of three levels: the members, the trustees and the management team. The members of the charitable company comprise the signatories of the memorandum, including the chair of trustees. The members have defined the roles of the trustees and the committee structure. The members meet annually to hold an Annual General Meeting (AGM).

Each trustee is, in addition to being a member of the full governing body, a member of either the Finance, Premises and Audit Committee or they attend meetings concerning the scrutiny of Behaviour and Personal Development, the Quality of Education, Personnel and Safeguarding. Trustees are also assigned specific areas of focus aligned to the management and administration of the charitable company, or specific teaching department links. The governing body committee operate in accordance with documented terms of reference.

#### Arrangements for setting pay and remuneration of key management personnel

No trustees of the academy trust receive remuneration for their roles and responsibilities. Key management personnel that are teachers have their pay set by the Personnel Committee, ratified by the Full Governing Body and this follows the recommendations made annually by the Teachers Pay Review Body. These salaries are also subject to performance related assessment in line with all other teaching staff.

Key management personnel that are not teachers have their pay set by the Personnel Committee, ratified by the Full Governing Body, in line with the Support Staff Pay and Performance Management policy.

#### Related parties and other connected charities and organisations

As at 31 August 2020 the Headteacher is member of the Cornwall Association of Headteachers (CASH).

Related party relationships are detailed in Note 23 to the financial statements.

#### **Objectives and activities**

##### Objects and aims

The principal objects and activities of the charitable company are;

- to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of Penryn and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Objectives, strategies and activities

At Penryn College, every student can expect to:

- communicate effectively in English and another language;
- use and understand Mathematics;
- know how to seek, organise and use information from books and using ICT;
- develop sporting and physical skills and know about the importance of a healthy lifestyle to safeguard and enrich their future;
- develop manipulative, technical and practical abilities;
- acquire knowledge and understanding of the rapidly changing world's science and technology, history and geography, economics and industry, literature, religions and culture diversity, socio-political and environmental issues;
- achieve the best possible examination results. All students, irrespective of ability, will enter GCSEs;
- be encouraged to develop the aesthetic and creative skills and spiritual awareness;
- observe, enquire, apply skills and knowledge, to solve problems and to exercise judgement in decision making;
- receive guidance on careers and be encouraged to become a life-time learner; and
- take part in a programme of extra-curricular activities.

It is equally important that the trustees help parents to ensure their child:

- learns self-discipline, takes pride in their work, appearance and punctuality;
- works well with other people;
- is polite, reliable, adaptable and persevering;
- is tolerant of, and respects, other views and ways of life; and
- takes care of the environment and abides by the rules governing our community.

#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

## Strategic report

### **Achievements and performance**

The academy is now in its ninth year of operation having converted to academy status following recognition by Ofsted as an outstanding school.

2019/20 again saw a further year of increased pupil numbers rising to 1,149. The school continues to remain oversubscribed at secondary transfer, with a number of appeals being heard in the Summer term prior to the year 7's starting in the Autumn term.

Early indication of GCSE progress and pass rates in English and Maths are looking incredibly positive again, as they were in 2019; Grade 4+ Basics at 82% and 5+ Basics at 64%. English progress would be outstanding again with Maths continuing to be well above average. 90% of students achieved a standard pass (Grade 4+) in English along with 81% in Mathematics, both well above average. The proportion of students in Science achieving at least two grades at 4+ (A\*-C) went up again to 80%. More than half of all students, 128 young people in total, gained at least one 7+ (A\* or A) or equivalent grade, while 67 pupils gained 5 or more 7+ grades and 28 of whom were awarded 10 or more 7+ grades.

The trend for significant student achievement in sport continued at national levels.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Key performance indicators

The key financial performance indicators that the trustees of Penryn College use to govern themselves are to ensure that annual delegated funds are not being overspent and reserves are not being kept to an extreme level, over and beyond the agreed reserves policy. Also, to ensure funds are spent appropriately on the current pupils of Penryn College and provision is made to ensure facilities are well maintained for future pupils. The academy complies with all terms and conditions of its funding agreement as well as any additional grants received from other sources.

Pupil numbers are also a key financial performance indicator as they relate to the academy's level of funding. For 2019-20 the pupil numbers were 1,149 with year 7 entry requests being over-subscribed.

Ratio of staffing costs to budget is another key performance indicator and for 19/20 the percentage of total GAG salary costs was 83% when the budget was set.

#### **Protecting the student experience during Covid**

We have focussed all our energy on the quality of the student experience and the impact has been mitigated by:

- Strong teaching and Learning routines when the College was in lockdown
- Exceptional pastoral support for students in completing their work
- Thorough and detailed planning to ensure that the school is and feels as safe as possible through
  - A ring road round the outside of the building so that all Y7-10 student movements are outside including break and lunchtimes outdoors
  - All rooms set up with a 2m space between front desks and teachers
  - Rooms and desks wiped after each lesson
  - Additional cleaning all day
  - Split lunchtimes so departments have fewer staff at lunch in staff bases
  - Additional staffing support for vulnerable staff and additional cover supervisors
- This has allowed us to be ambitious in our offer:
  - Lessons are taught in specialist subjects in specialist classrooms by specialist teachers
  - Staff own their rooms still and students move to them

Study support was safe enough to be delivered and continued to support parents who are working in the second lockdown.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

The charitable company's accounting period is the year to 31 August 2020.

Most of the charitable company's income is derived from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period to 31 August 2020 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The charitable company also received grants for fixed assets from the ESFA and The Football Foundation. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.



# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **Financial sustainability and consideration of going concern due to Covid**

During 2019/20 the school had a loss of fundraising income totalling £35k during the period March to August 2020 due to Covid. This related to Study Support, Lettings and Primary & Secondary School Partnerships income.

The Penryn College budget for 2020/21 was set by the Finance, Premises and Audit Committee in accordance with the Academies Financial Handbook and submitted to the DfE by the required deadline. The final agreed budget for 2020/21 was set with a revenue deficit of £72k.

Included in the 2020/21 budget is total of £200k of budgeted spend due to the positive action taken for Covid in order to either protect the Penryn College student's experience during Covid or the safe preparation of the buildings. This also includes a fundraising loss of £50k for Study Support, Lettings and Primary Partnership SLA income for the year. A total of £46k was spent during the July & August 2020 on making the School Covid safe in readiness for opening in September for which no further exceptional support funding has been provided by the ESFA. Penryn College Trustees are certain that the 2020/21 budget is a one off due to Covid and have a clear plan to get back to a true budget.

#### **Penryn College Budget Review and Action Plan 2021/22 & 2022/23**

##### **Budget 2021/22**

Penryn College forecast budget for 2021/22 is currently showing a deficit however Trustees have seven key areas to review during this year in order to maximise our resources enabling a balanced budget to be set and any savings will continue through to 2022/23 budget:

- **Supply/Cover Staff:** refining a balance of in house cover supervisors on contract and external agency supply.
- **Teaching Staff and TLR payments** further review in order to reach a balance of required savings over recognition for additional responsibilities.
- **Teaching Assistant provision:** reviewed each year during budget setting in order to maximise the current contracts across the timetable
- **Admin/Support staff:** review of administration and support staff to enable flexible working across admin departments in order to utilise staff across the school
- **Building Maintenance Running Costs:** working with the team of caretaking staff in identifying training requirements in order to maximise the efficiency of the service they provide in house.
- **Vulnerable Pupils:** review of external support provision for vulnerable pupils and to enhance support staff training to provide this requirement in house
- **Lettings and Study Support:** production of a business plan for Study Support and Lettings in order to maximise the use of facilities and generate income.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 2022/23 Budget

School Budget Share allocation for 2022/23 is based on the same level of funding per pupil as 2021/22 and does not include any inflationary increase. In respect inflationary increases have been included across teaching staff and non-teaching staff resulting in a poor projection for 2022/23.

#### Income

- **School budget Share:** in order to support the Local Authority in previous years Penryn College we temporarily increased the operational capacity to 260. Due to this there is currently a large year group being year 11 students. As a result of reverting back to the 224 operational capacity next year this is reflected in the reduction in pupil numbers of between 26-31 for 2022/23 budget. Projections indicate that there will be an increase of 14 pupils by 2023/24 budget
- **ARB funding:** Places will continue at 25 to be topped up by Local Authority funding. Penryn College have a very successful ARB provision which has been extensively refurbished during the last two Summer breaks.
- **Primary Partnership SLA's:** there is a well-established partnership with local Primary Schools where bought in services are provided by Penryn College such as EWO/Music Delivery/MFL. Included in the budget is the staff that provide these services so it is assumed that they will either return to pre-Covid levels by next year or the staffing budgets will be reduced accordingly if not.
- **Sports Competition Premium:** there is a well established Partnership with other Secondary Schools in Cornwall who contribute each year to the school's School Games Organiser who arranges competitions, sharing the costs across the Partnership.

#### Expenditure

Salary expenditure is based on 2020/21 staffing levels including performance management and pay award increases. 2022/23 staffing has been reduced by 1FTE Teaching staff and 1FTE Teaching Assistant as a conservative allowance for the reduction of NOR pupil numbers. The timetable will reflect a further reduction when budget setting in 2022.

- **Teaching Staff:** the review of TLR's and PPA time to continue.
- **Catering:** the catering provider contract is up for renewal in September 2022. There are various options being discussed with regard to school meal provision with one of the options being to provide the service in house.

#### Summary

Trustees are confident that they will be in a position to make the necessary savings over the next two years and to generate further income in order to bring the budget for 2022/23 into balance. The budget setting process has always been conservative and the school has strong monitoring in place and challenging of the budget by Trustees which ensures savings are made throughout the year. This is evident by the savings the school has made on revenue budgets over the last three years.

#### Reserves policy

Penryn College trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. Trustees will ensure that delegated funds are spent appropriately on the pupils of Penryn College and that government balances policies will always be adhered to.

Trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for Penryn College. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the Penryn College Finance and Premises Committee.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The trustees consider the financial year end position of £14,069,760 (2019: £14,839,116) comprising £14,678,125 (2019: £14,746,560) of restricted fixed asset funds, £(2,383,944) (2019: £(1,847,000)) of restricted funds and £1,775,579 (2019: £1,939,556) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(2,392,000) (2019: £(1,892,000)) and general restricted funds of £8,056 (2019: £45,000).

The level of free reserves held by the charitable company are £1,775,579 (2019: £1,939,556).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The charitable company has entered into an agreement with the LGPS trustees to make additional annual contributions of £53,100 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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

#### Investment policy

The trustees have the ability to invest funds of the academy as they see fit. Currently the academy does not have any long term investments, with the cash reserves being held in the current bank account or in fixed term deposit accounts. The trustees have no plans to make any long-term investments in the near future.

The trustee's policy of short term investment is to have up to £300,000 invested at any one time in fixed, short term deposit accounts with the College's main bankers, each one of no more than £75,000 and for no longer than 12 months.

#### Principal risks and uncertainties

The trustees use a number of charitable company policies, including health and safety, finance, safeguarding and a risk register to evaluate strategic and reputational, operational, compliance and financial risks. The trustees have ensured that the management structure, systems and controls are in place to manage those risks, as well as insurance to cover financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education & Skills Funding Agency following conversion to academy status.

The governing body ensure regular review of risks through the reporting provided by the management team to the aforementioned governing body. The Finance and Premises committee and the Student and Curriculum committee each meet once each term and report to the full governing body once each term.

#### **Identified risks due to Covid**

We have identified the following financial risk factors due to Covid:

- Catering provision: reduction in sales income
- Buildings: additional spend on safety and hygiene
- Cleaning: additional cleaning staff employed over and above our contracted cleaning

We do have sufficient school reserves to cover these risks if there is no further Covid support funding available from the DfE.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The principal future financial risks that Penryn College currently faces are:

- maintenance of pupil numbers as funding is directly related to the number of students on roll;
- uncertainties over future funding levels and income sources;
- the impact of public sector spending constraints on the local authority; and
- financial impact of changes to the funding formula, in particular SEN funding.

Although the lack of detailed budgetary information makes long term financial planning difficult, the trustees consider the level of funds held by the college to be sufficient to mitigate any funding risks in the short and medium term. This is assessed annually and charitable company staff and trustees will ensure to identify any potential problems and take appropriate strategic action as early as possible to ensure that the organisation is prepared for potential funding cuts but still maintain the high levels of education standards for the pupils of Penryn College.

The charitable company has agreed a risk management strategy, a risk register and a risk management plan. These have been discussed by trustees and include the financial risks to the charitable company. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The trustees have assessed the major risks to which the charitable company is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full trustees' and finance and premises committee meetings. The trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

The governing body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 18 to the financial statements, represents a significant potential liability. However as the trustees consider that the academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

#### **Fundraising**

Penryn College does not practice any fundraising activity to support its educational objects. Were it to do so it would be under the provisions of the Charities (Protection and Social Investment) Act 2016, Section 13.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Plans for future periods

We want to develop young people who are ready to make a positive contribution to their community. We want them to be polite, compassionate, considerate, and care for those around them. Our students will have the skills and confidence to communicate well and to organise themselves effectively. They will work independently, work as part of a team, and be able to lead others. We want students who can read fluently, write, and be numerate. Our students will have a depth of knowledge in a broad range of subjects and study skills. They will know how keep themselves happy, healthy, and safe. They need to be able to play their part a modern democracy, to accept a range of different views, and to use their power to challenge the things that are not right in an appropriate way. We want their experience in school to be fun, engaging and inspiring. They need to leave us knowing there are even better times ahead, and confident that this is just the start.

As staff and Governors we want to enjoy what we are doing, to be able to focus on the most important aspects of our jobs, and to know we are making a difference. We want to work in an environment where professional expectations of ourselves are high, but the support is even higher. We want the parents and the community to see their young people shine in whatever field they choose.

#### 5 Year Plan Objectives: (Year 2)

- To build our core values of high expectations, care, support, leadership and professionalism.
- To deliver a broad interlinked curriculum that engages and inspires students and results in success across a broad range of qualifications and activities.
- To ensure students are taught in specialist facilities by highly skilled specialist teachers.
- To work with other schools, the Penryn Partnership, and with the LA, to improve the outcomes of Penryn College students and to make a contribution to the wider education system.
- To ensure we make a positive impact on climate change through education and action.
- Manage resources carefully so that every second and every penny counts.

# PENRYN COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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**2019-20 OUTCOMES:** Students will achieve exceptional progress (0.5) because:

- We will pay attention to the experience of students most likely to underachieve: LPA, DAP, Boys, Able, SEN.
- To ensure all our LPA students can read, write, be numerate, and be socially adept.

**2019-20 CURRICULUM:** Students will make exceptional progress because they access:

- Programmes of study and assessment in each subject that challenge and inspire. Crucially, subjects work together so that the curriculum is presented and delivered "as a whole".
- Opportunities to develop the learning skills they require across the curriculum and in PS time.

In this curriculum they will have opportunities for PERSONAL DEVELOPMENT and they will access:

- Opportunities to lead and to make their voice heard in the college and the community.
- Lifestyle and Careers curriculum that gives them the skills to be safe, health, and happy.

**2019-20 TEACHING:** Students will make exceptional progress because teachers and tutors:

- Sequence engaging and exciting learning in ways that builds upon learning in other subjects, deepens students' knowledge, and develops their subject terminology.
- Use a range of strategies to check students' understanding, identifying where further learning is needed.
- Develop key learning skills including research, note- making, group work and discussion, memorisation, precision and accuracy, independence, reflection.

**2019-20 BEHAVIOUR and ATTITUDE:** Students' behaviour will continue to improve because:

- Staff and students are highly skilled in building relationships that lead to excellent behaviour and attitudes.
- Everyone knows exactly which rules are consistent and which decisions are at the discretion of a teacher.
- Students understand expectations, accept our decisions and know unacceptable behaviour will be followed up.
- Our attendance will improve to 95.5%/ PA 10%

**2019-20 LEADERSHIP:** We work carefully to:

- Embed new curriculums in MFL, Creative Arts, and STEAM.
- Establish a robust Coach Education Programme.
- Refine the workload of teachers so they can focus on the planning and teaching of great lessons, and giving excellent feedback that helps students, parents, and tutors.
- Plan the workload and CPD of support staff so that they can work efficiently.
- Develop a communication plan which ensures a clarity of message and reduces frustration.
- Changing tutoring from a 'list of jobs' to a range of opportunities to support students.
- Create Year 1 of our Climate Change development plan.
- Continue to enhance our provision for our most vulnerable students, through the development of our Hub.

#### Impacts due to Covid

Covid has had an impact on the budget as the adaptations to the building, additional staff, reduction in Primary delivery and the shutdown of our lettings programme has resulted in a loss to our budget of £200,000. The extreme focus on new operational and safety concerns has also resulted in less forward momentum in introducing new strategies to the College and far more on keeping systems tight and staff morale as high as possible. Formal observations have not been possible and our CPD and staff training has also been deferred until Christmas.

The major impact has been on the "life" in the school. We have worked so hard to keep it all as normal as possible but virtual parents evening and Year 10 and 11 open evenings are not the same. Tight planning kept the opportunity for Year 6 parents to visit the school but all other events and concerts have had to be cancelled. This has reduced the chance for students to experience the full breadth of education and that is sad.

The final impact has been on staff. They are absolute heroes in this situation each one of them comes into school knowing the very real risk to their own health. Staff attendance outside of Covid related incidences is exceptionally high and there is a real sense of doing their absolute best. We need to continue to look for opportunities to reassure, support and keep things simple for staff.

## **PENRYN COLLEGE**

### **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2020 and signed on its behalf by:

MS Parsons  
**Chair**

# PENRYN COLLEGE

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2020

#### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Penryn 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 board of trustees has delegated the day-to-day responsibility to the headteacher, 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 Penryn College and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
CR Ansell	3	3
E Brooks	3	3
MJ Proudfoot (Deceased 7 February 2020)	0	2
RE Rawley	3	3
MS Parsons (Chair)	3	3
L Everall (Resigned 7 July 2020)	0	3
J Roberts	3	3
G Harries	3	3
P Walker (Accounting Officer)	3	3
RGC Misselbrook (Resigned 4 September 2019)	0	0
L Skittrall	2	3
MG Ransom	2	3
J Woodward (Appointed 6 September 2019)	3	3
JA Scarborough (Appointed 16 December 2019)	3	3

Note: The September 2019 FGB meeting was attended by all governors, but there were no minutes as this was delivered by SLT for governor's information.

The full board met 3 times during the year; September 2019, December 2019 and July 2020. There was a meeting scheduled for 26th March 2020 that had to be cancelled due to lockdown, however, during the period of March to July 2020 regular update meetings were held with trustees via Microsoft Teams and daily/weekly update emails were sent by the Headteacher to trustees as and when they happened. Trustees also had full access to all the information documents relating to the Covid-19 pandemic that were produced and stored in the school's online files.



# PENRYN COLLEGE

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy has delivered improved value for money during the year by:

- Regularly reviewing the functions of the College, challenging how and why services are provided and have set targets to improve performance.
- Monitoring outcomes and compare performance against similar schools.
- Promoting fair competition through tenders and quotations ensuring that goods and services are secured in the most economic and efficient way.
- Ensuring that resources are used effectively to meet the needs of the pupils.
- Planning for future placement costs of large sports facilities and ICT hardware.
- Questioning recommendations with or without financial implications to ensure the most appropriate use of school funds to benefit pupils.

The following 3 examples demonstrate the college's commitment to value for money:

- **STEAM Classrooms refurbishment.** There has been further work carried out on our STEAM Classroom area during Summer 2020. Funding for this of £92k has been secured from the Wolfson Foundation. Work on the refurbishment of the STEAM 6 classroom including furniture, ICT provision upgrade and decoration was carried out. The cost for this was £104,586 of which a claim for £52,271 has been submitted to the Wolfson Foundation. The balance of the grant will be claimed during 2020/21 for equipment and further refurbishment. This has enabled the school to provide much needed bespoke classrooms in order to deliver the STEAM curriculum.
- **ARB Refurbishment.** The ARB is a popular and well managed provision and pupil numbers have now increased to 25 from September 2020. Refurbishment began during Summer 2019 when the provision was moved to the TIA area of the school giving the students more classroom space for every lesson, breakout space and better offices for staff and students. The ARB was also able to have a lockdown facility and new parking spaces for family and friends.

Refurbishment continued during Summer 2020 where a new disabled toilet was installed and a sensory room fitted out with purpose built sensory equipment. The cost of this work was £78,697 for Summer 2019 and £123,536 for Summer 2020 which is being funded by Cornwall Council with S106 Capital funds for the total project cost of £202,233.

- **STP Refurbishment Project.** The Schools Synthetic Turf Pitch (STP) required refurbishment as the current surface no longer met the Football Association standards for lettings and for School use. The school secured funding from the Football Foundation of 62% towards the cost of this resurfacing project. Working with the Football Foundation, and using a Framework Management consultant, a full competitive tendering process was carried out to decide which company should be given this project. Following a successful tendering process, the contract was awarded to SIS Pitches.

The project was due to complete by September 2020 however due to issues around drainage the project was actually completed at the end of October 2020. The total forecast cost for this project is £711,776 of which £441,301 will be funded by the Football Foundation. The remaining £270,475 will be part funded by Cornwall Council S106 Capital fund and school reserves. This has enabled the continued use of a much needed facility and will generate further income for lettings for the school.

# PENRYN COLLEGE

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 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 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 Penryn College for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

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

### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and premises 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have decided to make use of the Local Authority's Responsible Officer (RO) service.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a terms basis the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. The RO delivered their schedule of work as planned and no significant issues were raised.

### Review of effectiveness

As accounting officer the headteacher 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 senior management team within the academy who have responsibility for the development and maintenance of the internal control framework.

## **PENRYN COLLEGE**

### **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10 December 2020 and signed on its behalf by:

MS Parsons  
**Chair**

P Walker  
**Accounting Officer**

## PENRYN COLLEGE

### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

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As accounting officer of Penryn College, I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

Approved on 10 December 2020 and signed by:

P Walker  
**Accounting Officer**

# PENRYN COLLEGE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2020

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The trustees (who are also the directors of Penryn College for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 10 December 2020 and signed on its behalf by:

MS Parsons  
Chair

# PENRYN COLLEGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENRYN COLLEGE FOR THE YEAR ENDED 31 AUGUST 2020

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### Opinion

We have audited the accounts of Penryn College for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

### 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 accounts' section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the accounts 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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

## PENRYN COLLEGE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENRYN COLLEGE (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of trustees**

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

In preparing the accounts, the trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **PENRYN COLLEGE**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENRYN COLLEGE (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Williams (Senior Statutory Auditor)  
for and on behalf of RRL LLP**

25 January 2021

**Chartered Accountants  
Statutory Auditor**

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP



## PENRYN COLLEGE

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PENRYN COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2020**

In accordance with the terms of our engagement letter dated 30 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Penryn College during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Penryn College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Penryn College's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of minutes of all trustees' meetings;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

## **PENRYN COLLEGE**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Conclusion**

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

#### **Reporting Accountant**

RRL LLP

Dated: 25 January 2021

# PENRYN COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	26,444	-	139,920	166,364	107,181
Charitable activities:						
- Funding for educational operations	4	337,775	6,866,168	-	7,203,943	6,753,917
Other trading activities	5	132,829	-	-	132,829	223,812
Investments	6	4,079	-	-	4,079	5,835
<b>Total</b>		501,127	6,866,168	139,920	7,507,215	7,090,745
<b>Expenditure on:</b>						
Raising funds	7	82,603	-	-	82,603	178,227
Charitable activities:						
- Educational operations	8	-	7,564,094	496,874	8,060,968	7,392,309
<b>Total</b>	7	82,603	7,564,094	496,874	8,143,571	7,570,536
<b>Net income/(expenditure)</b>		418,524	(697,926)	(356,954)	(636,356)	(479,791)
Transfers between funds	16	(582,501)	293,982	288,519	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	18	-	(133,000)	-	(133,000)	(553,000)
<b>Net movement in funds</b>		(163,977)	(536,944)	(68,435)	(769,356)	(1,032,791)
<b>Reconciliation of funds</b>						
Total funds brought forward		1,939,556	(1,847,000)	14,746,560	14,839,116	15,871,907
Total funds carried forward		1,775,579	(2,383,944)	14,678,125	14,069,760	14,839,116

# PENRYN COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	21,298	950	84,933	107,181
Charitable activities:					
- Funding for educational operations	4	337,892	6,416,025	-	6,753,917
Other trading activities	5	223,812	-	-	223,812
Investments	6	5,835	-	-	5,835
<b>Total</b>		<b>588,837</b>	<b>6,416,975</b>	<b>84,933</b>	<b>7,090,745</b>
<b>Expenditure on:</b>					
Raising funds	7	178,227	-	-	178,227
Charitable activities:					
- Educational operations	8	31	6,949,179	443,099	7,392,309
<b>Total</b>	<b>7</b>	<b>178,258</b>	<b>6,949,179</b>	<b>443,099</b>	<b>7,570,536</b>
<b>Net income/(expenditure)</b>		<b>410,579</b>	<b>(532,204)</b>	<b>(358,166)</b>	<b>(479,791)</b>
Transfers between funds	16	(621,044)	358,204	262,840	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	18	-	(553,000)	-	(553,000)
<b>Net movement in funds</b>		<b>(210,465)</b>	<b>(727,000)</b>	<b>(95,326)</b>	<b>(1,032,791)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,150,021	(1,120,000)	14,841,886	15,871,907
Total funds carried forward		1,939,556	(1,847,000)	14,746,560	14,839,116

# PENRYN COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12		14,663,356		14,746,560
<b>Current assets</b>					
Debtors	13	439,744		371,899	
Cash at bank and in hand		1,944,595		2,164,672	
		<u>2,384,339</u>		<u>2,536,571</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(585,935)</u>		<u>(552,015)</u>	
<b>Net current assets</b>			1,798,404		1,984,556
<b>Net assets excluding pension liability</b>			16,461,760		16,731,116
Defined benefit pension scheme liability	18		<u>(2,392,000)</u>		<u>(1,892,000)</u>
<b>Total net assets</b>			<u>14,069,760</u>		<u>14,839,116</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			14,678,125		14,746,560
- Restricted income funds			8,056		45,000
- Pension reserve			<u>(2,392,000)</u>		<u>(1,892,000)</u>
<b>Total restricted funds</b>			12,294,181		12,899,560
<b>Unrestricted income funds</b>	16		1,775,579		1,939,556
<b>Total funds</b>			<u>14,069,760</u>		<u>14,839,116</u>

The accounts on pages 25 to 47 were approved by the trustees and authorised for issue on 10 December 2020 and are signed on their behalf by:

MS Parsons  
Chair

Company Number 07654298

# PENRYN COLLEGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		49,594		104,822
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		4,079		5,835	
Capital grants from DfE Group		23,322		79,985	
Capital funding received from sponsors and others		116,598		4,948	
Purchase of tangible fixed assets		(413,670)		(347,773)	
<b>Net cash used in investing activities</b>			(269,671)		(257,005)
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(220,077)		(152,183)
Cash and cash equivalents at beginning of the year			2,164,672		2,316,855
<b>Cash and cash equivalents at end of the year</b>			1,944,595		2,164,672

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

Penryn College is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### 1.1 Basis of preparation

The accounts of the academy, 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

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

##### 1.3 Income

All incoming resources are recognised when the academy 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 period 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.

###### 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 has provided the goods or services.

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.



# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

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

Leasehold land & buildings	2 - 5% per annum on cost
Computer equipment	33% per annum on cost
Furniture & equipment	20% per annum on cost

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

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

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

The academy 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 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.

#### 1.10 Pensions benefits

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

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

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

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

#### 1.11 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	23,322	23,322	79,985
Other donations	26,444	116,598	143,042	27,196
	<u>26,444</u>	<u>139,920</u>	<u>166,364</u>	<u>107,181</u>

### 4 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,730,576	5,730,576	5,600,390
Other DfE group grants	-	635,027	635,027	375,951
ITT bursaries grants	-	-	-	6,000
	<u>-</u>	<u>6,365,603</u>	<u>6,365,603</u>	<u>5,982,341</u>
<b>Other government grants</b>				
Local authority grants	-	390,701	390,701	383,102
Special educational projects	-	59,139	59,139	50,582
	<u>-</u>	<u>449,840</u>	<u>449,840</u>	<u>433,684</u>
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	50,725	50,725	-
	<u>-</u>	<u>50,725</u>	<u>50,725</u>	<u>-</u>
Other incoming resources	<u>337,775</u>	<u>-</u>	<u>337,775</u>	<u>337,892</u>
<b>Total funding</b>	<u>337,775</u>	<u>6,866,168</u>	<u>7,203,943</u>	<u>6,753,917</u>

The academy has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "Exceptional government funding".

- The funding received for coronavirus exceptional support covers £37,666 for costs relating to the provision of free school meals, £6,112 of cleaning costs and £6,947 of premises costs. These costs are included in notes 7 and 8 as appropriate.

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	44,151	-	44,151	56,441
Other income	88,678	-	88,678	167,371
	<u>132,829</u>	<u>-</u>	<u>132,829</u>	<u>223,812</u>

#### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	4,079	-	4,079	5,835
	<u>4,079</u>	<u>-</u>	<u>4,079</u>	<u>5,835</u>

#### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	79,527	-	3,076	82,603	178,227
Academy's educational operations					
- Direct costs	4,503,492	-	785,738	5,289,230	4,846,993
- Allocated support costs	1,430,181	1,051,576	289,981	2,771,738	2,545,316
	<u>6,013,200</u>	<u>1,051,576</u>	<u>1,078,795</u>	<u>8,143,571</u>	<u>7,570,536</u>

#### Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	3,725	3,850
- Other services	3,425	3,650
Operating lease rentals	17,912	54,219
Depreciation of tangible fixed assets	496,874	443,099
Net interest on defined benefit pension liability	37,000	33,000
	<u>568,936</u>	<u>572,818</u>

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Expenditure

(Continued)

Included within expenditure are the following transactions:

		2020 £
Unrecoverable debts - total		10,000
- Items over £5,000:	See below	10,000

After discussions between the Headteacher and a local secondary school's CEO it was agreed that the debt of £10k relating to a joint agreement for running the Holiday Programme during 2013/14 and 2014/15 was not supported by sufficient paperwork to validate the debt and the debtor therefore would not agree to make payment. The original value of the debt was £23,561 and included the cost of joint running of Post16 PE courses amounting to £13,561 and in light of the local secondary school paying this in full in July 2020 it was agreed to write off the balance of £10k.

### 8 Charitable activities

	2020 £	2019 £
All from restricted funds:		
<b>Direct costs</b>		
Educational operations	5,289,230	4,846,993
<b>Support costs</b>		
Educational operations	2,771,738	2,545,316
	<u>8,060,968</u>	<u>7,392,309</u>

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

(Continued)

	2020 £	2019 £
<b>Analysis of support costs</b>		
Support staff costs	1,430,181	1,201,322
Depreciation	496,874	443,099
Technology costs	55,496	77,854
Premises costs	554,702	616,870
Other support costs	230,587	201,956
Governance costs	3,898	4,215
	<u>2,771,738</u>	<u>2,545,316</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,342,924	4,204,973
Social security costs	393,520	377,283
Pension costs	1,231,165	863,978
	<u>5,967,609</u>	<u>5,446,234</u>
Staff costs - employees	45,591	60,228
Agency staff costs	<u>6,013,200</u>	<u>5,506,462</u>
	23,320	27,130
Staff development and other staff costs	<u>6,036,520</u>	<u>5,533,592</u>
Total staff expenditure		

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	78	75
Administration and support	88	88
Management	8	9
	<u>174</u>	<u>172</u>

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

(Continued)

#### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	3	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>          </u>	<u>          </u>

#### Key management personnel

The key management personnel of the academy comprise the trustees and the headteacher, deputy headteacher and director of business development and operations included within the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £243,005 (2019: £243,937).

### 10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £313 (2019: £166) were reimbursed to one trustee (2019: One trustee).

The value of trustees' remuneration was as follows:

DP Walker (headteacher):

- Remuneration £80,000 - £85,000 (2019: £75,000- £80,000)
- Employer's pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000)

AC Bick (staff):

- Remuneration £Nil (2019: £15,000 -£20,000)
- Employer's pension contributions £Nil (2019: £Nil - £5,000)

GJ Harries (staff):

- Remuneration £35,000 - £40,000 (2019: £25,000 -£30,000)
- Employer's pension contributions £Nil - £5,000 (2019: £Nil - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

### 11 Insurance for trustees and officers

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £223 (2019: £220).

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 12 Tangible fixed assets

	Leasehold land & buildings £	Computer equipment £	Furniture & equipment £	Total £
<b>Cost</b>				
At 1 September 2019	17,238,099	655,736	519,190	18,413,025
Additions	101,263	62,286	250,121	413,670
At 31 August 2020	17,339,362	718,022	769,311	18,826,695
<b>Depreciation</b>				
At 1 September 2019	2,802,716	508,748	355,001	3,666,465
Charge for the year	353,225	79,769	63,880	496,874
At 31 August 2020	3,155,941	588,517	418,881	4,163,339
<b>Net book value</b>				
At 31 August 2020	14,183,421	129,505	350,430	14,663,356
At 31 August 2019	14,435,383	146,988	164,189	14,746,560

### 13 Debtors

	2020 £	2019 £
Trade debtors	12,711	48,039
VAT recoverable	71,481	83,193
Prepayments and accrued income	355,552	240,667
	439,744	371,899

### 14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	304,963	164,796
Other taxation and social security	93,514	93,682
Other creditors	101,807	93,867
Accruals and deferred income	85,651	199,670
	585,935	552,015



# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 15 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	26,514	79,102
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2019	79,102	110,265
Released from previous years	(79,102)	(110,265)
Resources deferred in the year	26,514	79,102
	<u>          </u>	<u>          </u>
<b>Deferred income at 31 August 2020</b>	<b>26,514</b>	<b>79,102</b>
	<u>          </u>	<u>          </u>

Included within deferred income of £26,514 (2019: £79,102) are the following balances; £Nil (2019: £25,035) in respect ESFA rates relief; £Nil (2019: £36,832) in respect of School Trips; £13,883 (2019: £13,883) in respect of deposits received for courses Penryn College are organising in 2020/21; £2,632 (2019: £Nil) in respect of Cornwall Council MFEP funding; £4,000 (2019: £Nil) in respect Secondary Schools Sports Contributions; £6,000 (2019: £Nil) in respect Girls Football School Partnership funding; £Nil (2019: £2,652) in respect of reintegration funding and £Nil (2019: £700) in respect of Girls Active funding.

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,730,576	(6,024,558)	293,982	-
Other DfE / ESFA grants	-	635,027	(635,027)	-	-
Other government grants	45,000	500,565	(537,509)	-	8,056
Pension reserve	(1,892,000)	-	(367,000)	(133,000)	(2,392,000)
	<u>(1,847,000)</u>	<u>6,866,168</u>	<u>(7,564,094)</u>	<u>160,982</u>	<u>(2,383,944)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	14,327,730	-	(342,496)	-	13,985,234
DfE group capital grants	89,429	23,322	(37,048)	-	75,703
Capital expenditure from GAG	264,108	-	(90,003)	288,519	462,624
Local authority funding	41,293	-	(19,327)	-	21,966
Sports England funding	24,000	-	(8,000)	-	16,000
Football Foundation Grant	-	116,598	-	-	116,598
	<u>14,746,560</u>	<u>139,920</u>	<u>(496,874)</u>	<u>288,519</u>	<u>14,678,125</u>
<b>Total restricted funds</b>	<u>12,899,560</u>	<u>7,006,088</u>	<u>(8,060,968)</u>	<u>449,501</u>	<u>12,294,181</u>
<b>Unrestricted funds</b>					
General funds	<u>1,939,556</u>	<u>501,127</u>	<u>(82,603)</u>	<u>(582,501)</u>	<u>1,775,579</u>
<b>Total funds</b>	<u>14,839,116</u>	<u>7,507,215</u>	<u>(8,143,571)</u>	<u>(133,000)</u>	<u>14,069,760</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 & Skills Funding Agency and the Department for Education 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 and furniture and equipment transferred to Penryn College on 1 July 2011 and Education & Skills Funding Agency grants which have been received. The fund is being reduced by the depreciation in the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,600,390	(5,958,594)	358,204	-
Other DfE / ESFA grants	-	381,951	(381,951)	-	-
Other government grants	-	433,684	(388,684)	-	45,000
Other restricted funds	-	950	(950)	-	-
Pension reserve	(1,120,000)	-	(219,000)	(553,000)	(1,892,000)
	<u>(1,120,000)</u>	<u>6,416,975</u>	<u>(6,949,179)</u>	<u>(194,796)</u>	<u>(1,847,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	14,670,226	-	(342,496)	-	14,327,730
DfE group capital grants	46,500	79,985	(37,056)	-	89,429
Capital expenditure from GAG	37,488	-	(36,220)	262,840	264,108
Local authority funding	55,672	4,948	(19,327)	-	41,293
Sports England funding	32,000	-	(8,000)	-	24,000
	<u>14,841,886</u>	<u>84,933</u>	<u>(443,099)</u>	<u>262,840</u>	<u>14,746,560</u>
<b>Total restricted funds</b>	<u>13,721,886</u>	<u>6,501,908</u>	<u>(7,392,278)</u>	<u>68,044</u>	<u>12,899,560</u>
<b>Unrestricted funds</b>					
General funds	<u>2,150,021</u>	<u>588,837</u>	<u>(178,258)</u>	<u>(621,044)</u>	<u>1,939,556</u>
<b>Total funds</b>	<u>15,871,907</u>	<u>7,090,745</u>	<u>(7,570,536)</u>	<u>(553,000)</u>	<u>14,839,116</u>

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	14,663,356	14,663,356
Current assets	2,361,514	8,056	14,769	2,384,339
Creditors falling due within one year	(585,935)	-	-	(585,935)
Defined benefit pension liability	-	(2,392,000)	-	(2,392,000)
<b>Total net assets</b>	<u>1,775,579</u>	<u>(2,383,944)</u>	<u>14,678,125</u>	<u>14,069,760</u>

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	14,746,560	14,746,560
Current assets	2,491,571	45,000	-	2,536,571
Creditors falling due within one year	(552,015)	-	-	(552,015)
Defined benefit pension liability	-	(1,892,000)	-	(1,892,000)
<b>Total net assets</b>	<b>1,939,556</b>	<b>(1,847,000)</b>	<b>14,746,560</b>	<b>14,839,116</b>

### 18 Pension and similar obligations

The academy'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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £101,807 (2019: £83,589) were payable to the schemes at 31 August 2020 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to the TPS in the period amounted to £652,337 (2019: £444,306).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 contributions are as noted below. The agreed contribution rates for future years are 16.3% for employers and 5.5% to 12.5% for employees.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions of £53,100 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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.

Total contributions made	2020 £	2019 £
Employer's contributions	251,000	235,000
Employees' contributions	71,000	67,000
Total contributions	322,000	302,000

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.2	2.4
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70

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

	2020 Years	2019 Years
Retiring today		
- Males	21.4	21.1
- Females	23.6	23.6
Retiring in 20 years		
- Males	22.3	22.3
- Females	25.1	25.0

### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2020:

0.5% decrease in Real Discount Rate - 12% approximate increase to Employer Liability equating to approximately £764,000.

0.5% increase in the Salary Increase Rate - 1% approximate increase to Employer Liability equating to approximately £33,000.

0.5% increase in the Pension Increase Rate - 11% approximate increase to Employer Liability equating to approximately £721,000.

### The academy's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	2,223,000	2,001,000
Bonds	1,429,000	1,473,000
Property	238,000	264,000
Other assets	80,000	38,000
Total market value of assets	3,970,000	3,776,000

The actual return on scheme assets was £(59,000) (2019: £412,000).

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	581,000	417,000
Past service cost	-	4,000
Interest income	(70,000)	(91,000)
Interest cost	107,000	124,000
Total operating charge	618,000	454,000

#### Changes in the present value of defined benefit obligations

2020  
£

At 1 September 2019	5,668,000
Current service cost	581,000
Interest cost	107,000
Employee contributions	71,000
Actuarial loss	4,000
Benefits paid	(69,000)
At 31 August 2020	6,362,000

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

2020  
£

At 1 September 2019	3,776,000
Interest income	70,000
Actuarial loss/(gain)	(129,000)
Employer contributions	251,000
Employee contributions	71,000
Benefits paid	(69,000)
At 31 August 2020	3,970,000

# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(636,356)	(479,791)
Adjusted for:		
Capital grants from DfE and other capital income	(139,920)	(84,933)
Investment income receivable	(4,079)	(5,835)
Defined benefit pension costs less contributions payable	330,000	186,000
Defined benefit pension scheme finance cost	37,000	33,000
Depreciation of tangible fixed assets	496,874	443,099
(Increase) in debtors	(67,845)	(59,839)
Increase in creditors	33,920	73,121
<b>Net cash provided by operating activities</b>	<b>49,594</b>	<b>104,822</b>

### 20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	2,164,672	(220,077)	1,944,595

### 21 Commitments under operating leases

At 31 August 2020 the total of the academy's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	14,518	17,912
Amounts due in two and five years	37,220	27,641
	<b>51,738</b>	<b>45,553</b>

### 22 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	495,979	75,738



# PENRYN COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 23 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Daughter of a trustee. Transactions totalling £55,294 (2019: £44,665) relating to employment as a teacher (including employer's pension contributions) took place in the year. There were £Nil amounts outstanding at 31 August 2020 (2019: £Nil). In entering into the transaction the academy trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Wife of a trustee. Transactions totalling £56,027 (2019: £45,900) relating to employment as a teacher (including employer's pension contributions) took place in the year. There were £Nil amounts outstanding at 31 August 2020 (2019: £Nil). In entering into the transaction the academy trust has complied with the requirements of the ESFA's Academies Financial Handbook.

### 24 Members' liability

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