



**REPORT AND FINANCIAL  
STATEMENTS OF TRURO AND  
PENWITH COLLEGE**

**FOR YEAR ENDED  
31 July 2024**



**PENWITH  
COLLEGE**





# **TRURO AND PENWITH COLLEGE**

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 July 2024**

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## REFERENCE AND ADMINISTRATIVE DETAILS

### Key Management Personnel, Board of Governors and Professional advisers

#### Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2023/24:

Martin Tucker – Principal and CEO; Accounting Officer  
Adele Bull – Director of Curriculum Development  
Hayley McKinstry – Director of Partnerships and Apprenticeships  
Jane Cashmore – Director of Operations  
Lisa Briscoe – Director of Student Experience  
Lucy Maggs – Director of Operations (Penwith)  
Lucy Langdon – Chief Finance Officer (appointed Jan 24)  
Vicky Pearson – Director of Teaching and Learning

#### Board of Governors

A full list of Governors is given on pages 16-18 of these financial statements.

#### Professional Advisers:

Financial Statement & Regularity Auditors:	Bishop Fleming LLP	Chy Nyverow Newham Road Truro
Internal Auditors:	Validera Ltd	Unit 3 Crompton Court Attwood Road Burntwood Staffordshire
Bankers:	HSBC	17 Boscawen Street Truro
Solicitors:	Michelmores	Woodwater House Pyne's Hill Exeter
	Stephens Scown	3 Cross Lane St Austell
	Ramsay Paterson	Lynwood Newland Garden Sherborne

## STRATEGIC REPORT

### OBJECTIVES AND STRATEGY

The Members of Truro and Perwith College Corporation are pleased to present their report and audited financial statements covering the year ended 31 July 2024.

#### Legal Status

The Corporation was established under The Further and Higher Education Act 1992. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

#### Mission

"The purpose of the College is to provide the best possible learning experience, leading to the highest possible level of achievement by our students."

#### Public Benefit

Truro and Perwith College Corporation is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 16-18.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with the Local Enterprise Partnership (LEP)

#### Implementation of Strategic Plan

In September 2023 the College developed a Strategic Plan for the period 2023/24 to 2026/27. The Corporation has monitored the performance of the College against its Strategic Plan which is reviewed and updated each year.

The College's key continuing strategic objectives are:

- To increase student recruitment across all areas of the curriculum and to be the college of choice in Cornwall.
- Develop financial resilience and a stable budgetary position to enable continued investment in the quality of education provided by the college.
- Maintain a high-quality and sustainable College estate that meets the needs of all learners and staff.
- Deliver a high-quality personal development offer for all students, that develops the skills and confidence required for future success and progression.
- Ensure that the College meets the needs of all local employers and continues to develop strong external partnerships.

## STRATEGIC REPORT (CONTINUED)

- Improve overall student outcomes including the percentage of high grades awarded across all provision types.
- Develop and implement a People Strategy that enables the College to recruit and maintain a cohesive, motivated and productive workforce that can deliver outstanding education.
- Establish a clear environmental sustainability strategy

### Attainment of Objectives – 2023/24

The College was mostly successful in 2023/24 in meeting the objectives for the year, despite the continued impact of external factors:

- The total number of FT 16-18 students remained mostly static, due to the ongoing impact of demographics and competitors across the county including Callywith College, who continue to expand its student enrolment from the north and east of the county.
- HE recruitment also remained static with the help from continued interest in the Nursing and Allied Health courses.
- The range of work undertaken to meet the needs of local employers and their employees has grown; for example we act as lead on two Skills Development projects designed to develop and grow programmes in technical skills and build collaborative relationships with local businesses. During the year we have seen a further increase in Apprenticeship starts.
- Investment has continued in the College's capital development partly due to increased capital funding.
- Excellent levels of achievement were maintained (see further details below), particularly in light of students who experienced disruption in their secondary education due to Covid.
- The College's financial position remains challenging with the impact of increasing costs and falling income (see further details below).
- Changes to the adult funding formula have inevitably resulted in reduced numbers of learners aged over 19, but despite the existing financial climate recruitment remains stable.
- Enrolments by students funded by the Government's Advanced Learning Loans programme remain static.

### Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

The College employs 899 people (expressed as full-time equivalents), of whom 431 are teaching staff. Support staff numbers include 124 Learning Support Assistants who provide 1:1 support for students in the College's large Progression Pathway provision.

During the year ended 31 July 2024 the College enrolled approximately 8,990 students. The College's student population includes 5,079 16 to 18-year-old students, 899 apprentices, 340 higher education students and 2,670 adult learners.

The College has £59.5 million of net assets (with £NIL pension liability) and does not have any debts. Tangible resources include all College sites and equipment with a current net book value of £97.5 million (excluding the infrastructure and land leased to Callywith College), financial investments valued at £3.6 million at 31 July 2024.

## STRATEGIC REPORT (CONTINUED)

### Reputation

The College has an excellent reputation locally and nationally, retaining Ofsted Outstanding in the latest inspection of 2016 and gaining a Silver TEF Award for HE provision in 2023. The quality of the College provision has enabled a host of partnership working including the Cornwall SCITT Lead, the Maths Hub for Cornwall and West Devon and Computer Hubs. These initiatives result in the College working cross phase with many schools in Cornwall and further afield in the South West of England. The College is also the only Cornish provider of the South West Institute of Technology. The College also sponsors a Multi Academy Trust – Truro and Penwith Academy Trust and a 16-19 Free School – Callywith College.

### Stakeholders

The College has many stakeholders including:

- Its current, future and past students
- Staff
- Parents
- Cornwall SCITT – Note 27 to the Financial Statements
- Truro and Penwith Academy Trust – Note 28 to the Financial Statements
- Callywith College Trust – Note 29 to the Financial Statements
- Local schools
- Education and Skills Funding Agency
- Office for Students
- The FE Commissioner
- Local employers
- Cornwall Council
- Government Offices
- Cornwall & Isles of Scilly Local Enterprise Partnership
- The local community
- Other FE institutions
- University of Plymouth
- University of Greenwich
- Other universities
- Royal Cornwall Hospitals NHS Trust
- South West Institute of Technology
- Trade unions
- Professional bodies

## DEVELOPMENT AND PERFORMANCE

### Financial Results

The College generated an underlying operating deficit in the year of £4,705,000 (2023/24 – deficit of £2,460,000) before other gains and losses. A number of adjustments arising from the implementation of FRS102, including changes in the value of the Local Government Pension Fund under defined benefit obligations, together with gains and losses on both the value of non-current financial investments and disposals of related assets, have some impact upon the operating deficit and total comprehensive loss as set out on page 35 of the Financial Statements. The table below sets out these adjustments and reconciles total comprehensive income to the operating deficit.

## STRATEGIC REPORT (CONTINUED)

	Yr Ended 31 Jul 24 £'000	Yr Ended 31 Jul 23 £'000
<b>Total Comprehensive Income and Expenditure</b>	<b>(4,003)</b>	<b>2,006</b>
Actuarial (Gain)/Loss in respect of Pension Schemes	110	(5,869)
<b>Surplus/(Deficit) before tax</b>	<b>(3,893)</b>	<b>(3,863)</b>
Loss/(Gain) on Investments	(338)	695
Gain on Disposal of Assets	(423)	(334)
<b>Deficit before other losses and gains</b>	<b>(4,654)</b>	<b>(3,502)</b>
FRS 102 adjustments to Staff Costs in respect of Pension Schemes	55	895
FRS 102 adjustments to Interest Payable in respect of Pension Schemes	(165)	88
Transfers from Revaluation Reserve	59	59
<b>Underlying Operating Surplus/(Deficit)</b>	<b>(4,705)</b>	<b>(2,460)</b>

Governors acknowledge the efforts of the Key Management personnel and the staff in ensuring that the College is focussed on operating in the most cost-effective way in the current climate of financial pressures faced by the sector.

### Developments

Tangible fixed asset additions amounted to £5,516,000. This related to equipment purchases of £1,386,000, building developments on the existing campuses at Truro and Penwith College of £4,130,000, including works and fees in relation to the completion of the Ottery building in Bodmin of £562,000 and the extension of the Seaton building in Truro of £790,000.

### Sources of Income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. For 2023/24 the various funding streams from the ESFA and the OFS totalled £34,168,000 which represented 70% of the College's total income.

### Subsidiary Companies

The College does not have any subsidiary companies other than Truro and Penwith College Trust Fund (see note 26 to the Financial Statements).

## FINANCIAL POSITION

### Financial Objectives

The overall objective for the College is to remain financially sound in order to be able to deliver its strategic planned objectives. Specifically these objectives will be achieved by:

- achieving an operating surplus
- achieving an annual EBITDA surplus of 4% of turnover
- maintaining at least 35 cash days in hand
- sustaining a current ratio of 2.0
- limiting borrowing as a percentage of net assets to 20%
- pursuing alternative sources of funding
- funding continued capital investment through established reserves and borrowing

A series of performance indicators have been agreed against which to monitor the successful implementation of the policies and to realise a Financial Health Grade for the College of 'Outstanding' status as assessed by the Education and Skills Funding Agency (ESFA).



## STRATEGIC REPORT (CONTINUED)

### Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The College is expected to be assessed by the ESFA as having a "Requires Improvement" financial health grading. The strategic objective has been set to return the College to an operating surplus position by 2026/27 with ongoing performance indicators being reported and monitored to mitigate the ongoing challenges of high operational costs and limited funding increases.

### FUTURE PROSPECTS

#### Financial plan

The College governors approved a financial plan in July 2024, that sets objectives for the period to 2026 and projected operating deficits of between £1,869,000 and £1,094,000 per annum for the years 2024/25 and 2025/26 respectively. If achieved this would result in a "Good" financial health grading for the next year and "Outstanding" in the following year. The strategic plan has been agreed by the governors as an acceptable mid-term plan and is being implemented to return the College to an operational surplus position.

#### Treasury Policies and Objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place. The College does not currently borrow money, but should the need arise, short-term borrowing for temporary revenue purposes would be authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

#### Cash Flows and Liquidity

Operating cash outflow was £984,000 (2022/23: inflow £38,000) for the year. The change from prior year reflects the College's continued challenge in the management of operational resources within the current climate of reduced public funding, increased operational and staffing costs.

#### Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in maintaining financial stability, supporting core activities and enabling investment. The College will use its cash balances to fund future capital projects and to continue to invest in its existing campuses. As at the balance sheet date the Income and Expenditure reserve was as follows:

	2023/24	2022/23
Non-current assets	101,114,000	102,091,000
Net current assets/(liabilities)	(287,000)	2,520,000
Pension liability	-	-
Other long-term liabilities	(41,290,000)	(41,071,000)
Income and Expenditure reserve	(59,537,000)	(63,540,000)

## **STRATEGIC REPORT (CONTINUED)**

### **Going Concern**

The College continues to maintain a solid balance sheet despite reporting net current liabilities of £287,000 due to £3.6 million in managed investments and no borrowing. The planned level of capital expenditure has been included in cashflow forecasts over the short to medium term along with expectations relating to student numbers and staffing levels.

After making appropriate enquiries and reviewing the College current performance along with the indicated strategic and financial plans and risk management, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### **CURRENT PERFORMANCE**

The academic year 2023-2024 brought an incredible set of results across all courses, significantly outperforming national benchmarks.

Truro and Penwith College saw over 2,500 combined A Level entries in 2023-2024, significantly more than any other A Level provider in Cornwall. Students exceeded UK averages for overall pass rates (98.3%) and success in achieving the top grades A\* - C (81.1%). Almost a third of A Level students gained an A or A\* grade, with over 1,400 A\*-B grades issued. Published data released by Ofqual shows that in comparison to other Further Education colleges across the country, Truro and Penwith College students achieved double the amount of A\*-A grades than those who studied in colleges elsewhere. At A-level, students achieved 203 A\*-A grades and there was a 100% pass rate in 54 A Level subjects including Geology, Accounting, Fine Art, Classical Civilization, Dance, Economics, Drama, English Literature, English Language, Further Maths and Spanish. 56% of our students achieved incredible A\*-B grades (National Average is 53.9%). The College's leading local and national role in STEM (Science, Technology, Maths, Engineering) was evidenced once more with multiple STEM subjects such as Biology, Economics, Maths and Chemistry, achieving 10%-20% above national averages for their high grades. 11 students met their Oxford or Cambridge offers, with 343 places offered for students at the most prestigious Russell Group universities (10% above national average) and at least one student going to every Russell group University in the country.

Over 700 Truro and Penwith College students also completed their Level 3 Vocational Diploma results with a 98% overall pass rate and almost half gaining the top grades of triple Distinction or above (equivalent to 3 A grades or above at A-level) in an array of subjects including Sport and Exercise Science, Health and Social Care and Engineering.

On BTEC Diplomas, both the overall pass rate and number of students achieving high grades (above Triple Distinction) increased. 64% of Health and Social care students at Truro College achieved a high grade, an increase of 14% on 2023 results, while there was also a 35% increase in high grades in Applied Science at Truro College. UAL Diploma students achieved a 100% pass rate, an increase on 2023 results.

At Penwith College, 100% of Media (Lens based) diploma students achieved a high grade, with 70% of students achieving the highest possible grade. 82% of Games Design students also achieved a high grade, 18% above the national benchmark.

The new T Level qualification is proving popular with students studying subjects such as Early Years Education, Health or Digital Production and Design completing their studies. T Levels saw a 98% overall pass rate with 86% of students achieving high grades of a merit or distinction grade, equivalent to 3 B's or 3 A's at A-level which is 30% above the national average.

## STRATEGIC REPORT (CONTINUED)

International Baccalaureate Diploma students gained some exceptionally high results including one student receiving the highest possible point score of 45 and an average point score of 35 against a global average of 30.3 points. 17% of students gained 40 points or more equivalent to 4A\*. Eleven students from across Truro and Penwith College also received the grades they needed to gain entry to two of the top universities in the country – University of Oxford and University of Cambridge and 343 students went to Russell group Universities with at least one of our students progressing to all 24 Russell group universities across the UK.

For many, the aspiration of gaining a place at their preferred university was realised, with over 1,000 students leaving the College this year having secured entry to their first-choice university.

GCSE pass rates were well in excess of national averages. 36% of Maths students achieved 4 and above, which was 10% up on last year and above national average of 15%. 33% of English students achieved grade 4 and above, which was 4% up on last year and well above the national average of 19%. Truro and Penwith College is ranked 24 out of 223 centres for achieving 4+ in GCSE maths retakes and 78 out of 222 centres for achieving 4+ in GCSE English retakes.

In 2023/24, the College supported 899 apprentices, with 388 new starts during the year. Nursing and Allied Health is our largest apprenticeship area, with 165 apprentices enrolled across 5 different standards with 110 at level 6. The top 5 recruiting standards are Registered Nurse (Adult Nursing) – 57, Nursing Associate 51, Site Carpentry 41, Registered Nurse (Mental Health) – 32, Business Administration – 30. The current apprenticeships achievement rate this year is 78.4%. This is 20% above the National Average and certainly confirms our Expert Apprenticeship status.

500+ students completed their occupational qualifications at levels 1 to 3 in Hairdressing, Beauty Therapy, Professional Cookery, Plastering, Bricklaying, Site Carpentry, Painting and Decorating and Light Vehicle Maintenance. Many undertook meaningful work placement or employment in the industry alongside their studies and, on completion, progressed between levels or onto apprenticeships or employment in their chosen trade or industry. As a College we have an overall achievement rate of 90% across our provision from Level 1-3. 70% of courses had over 90%+ achievement.

During 2023/24, Truro and Penwith College supported 2,674 learners through part-time, flexible adult learning opportunities, including 293 AEB learners (with 30 in ESOL), 765 in community courses, 1,453 in full-cost courses, and 93 in Access programs. The College engages with key stakeholders to identify and respond to local skills needs while also enhancing community engagement and promoting well-being. The College's Access to HE programme, designed to address the lower progression rate of 19+ learners to higher education, has been highly successful, with achievement rates of 81% against the national average of 78%. Success was particularly strong in Health and Social Care 91%, Science 91%, Humanities 92%, and Nursing 94.44%. The College successfully ran Skills Bootcamps, engaging 70 adult learners across four areas: Clinical Pathways (17 learners), Digital Marketing (13 learners), Future Chef Manager (10 learners), and Welding and Fabrication (30 learners). These programs targeted local skills gaps, achieving an 87% completion rate, with participants either gaining new skills for employment or advancing their careers.

### Higher Education

Higher Education awards gained this summer varied from Honours and Foundation degrees to Higher National Diplomas, PGCE and Certificate in Education and Short Course Certificates. There were a total of 211 awards gained (down 33 on 2022/23): 85 Honours Degrees, 5 non-honours degrees, 93 Foundation Degrees and HNDs, 6 HNCs, 5 Certificate in Education (L5), 8 PGCE (L6), 9 PGCE (L7). Of these, 32 students achieved Distinctions on their Foundation Degrees/HNDs and 23 students achieved First Class Honours degrees (27%).

## STRATEGIC REPORT (CONTINUED)

### CURRICULUM

The Ofsted framework is built around the curriculum intent, implementation and impact. Increased emphasis is given to an offer which facilitates meaningful progression and embraces wider opportunities to gain employability and personal skills. The College is well placed with its current offer to be responsive to this agenda and has introduced several curriculum enhancements which align well with this.

The curriculum is structured with clear progression routes from level 1 to HE, an apprenticeship or employment. The College strategy has been to promote equality of opportunity across the county, seeking to increase post-16 participation rates. A key aim of the College as a comprehensive tertiary institution, is to raise the aspirations of its learners and to promote social mobility through very high levels of academic achievement. Cornwall is above the national average in terms of the proportion of young people from workless households and below average in progression to HE. These are long term concerns for the county.

The College's academic provision is well known and established. The offer is built around 42 A level subjects and a thriving International Baccalaureate all of which reside near the top nationally for quality of delivery and impact. Now fully transitioned to linear A levels with students generally now selecting three subjects on entry with a surrounding offer such as directed self-study to ensure preparation for assessment and higher education and a substantial enrichment programme. These encourage skill development and academic excellence through for example, competing in national competitions, confidence through teamwork and numerous activities to support health and wellbeing.

Our wide range of vocational, technical and apprenticeship programmes have seen substantial growth, including the successful introduction of several T Level programmes. The range of vocational/technical provision reflects the interests and enthusiasms of students, the acquisition of employability and personal skills for future progression, as well as the requirements of local and national employers.

There is major commitment to pathways provision providing locally based and accessible curriculum for high needs learners.

2022/23 saw the introduction of a newly designed level 2 study programme to facilitate improved progression into further education, employment, or an apprenticeship with an increased emphasis on work skills and personal development.

The number of students retaking Maths and English GCSEs continues to grow year on year.

#### Adult provision

The College works closely in partnership with key stakeholders and aligns its adult provision against the Local Authority 'Good Growth Plan' and 'Cornwall's 2020-2050 plan' creating programmes which develop the workforce and create opportunities for employment. The College offers a range of professional qualifications and tailored bespoke solutions which align with employment demand within the county.

<https://www.truro-penwith.ac.uk/app/uploads/2024/09/Adult-Learning-Strategy.pdf>

#### Higher Education provision

The College is realigning HE provision to be more skills based and responsive to the local need. Engineering and Digital programmes developed through the Institute of Technology and Nursing and Allied Health programmes developed in partnership with NHS Trusts, play a key part in this. The Higher Technical Qualification Quality Mark approval process has begun with the College submitting and achieving approval for the Cyber Security and Nursing Associate

## **STRATEGIC REPORT (CONTINUED)**

Foundation Degree Programmes. Further courses in engineering and construction will be submitted in 2024.

### **Bespoke provision**

Truro and Penwith College Future Skills Department provide courses in response to the needs of employers and employees and are committed to developing and expanding such provision further, ensuring we meet the priorities identified by the Local Authority 'Good Growth Plan' and 'Cornwall's 2020-2050 plan'. Partnerships continue to be developed in a range of sectors including Engineering, Electric Vehicles, Hospitality and Catering and IT. Our offer ranges from specifically designed bespoke training to tailoring existing qualifications to better address employer's needs.

## **EXTERNAL JUDGEMENTS OF QUALITY**

The most recent Ofsted inspection report was published in April 2016 and awarded Grade 1, Outstanding, for Overall Effectiveness. The College became the first in the country to achieve an Outstanding grade under the Common Inspection Framework and remains one of only 48 nationally to do so. All the key inspection categories: Effectiveness of Leadership and Management, Quality of Teaching, Learning and Assessment, Personal Development, Behaviour and Welfare and Outcomes for Learners were graded as 1, Outstanding.

In addition, 16-19 Study Programmes and Provision for Learners with High Needs were also judged to be Outstanding.

The Truro and Penwith University Centre was successfully Awarded TEF Silver in 2023 and has submitted a revised Access and Participation Plan. The college continues to be a member of the South West Institute for Technology developing higher level provision in response to regional skills needs.

Our curriculum continues to evolve with some level 5 programmes now approved as Higher Technical Qualifications (HTQs); FdSc Cyber Security and FdSc Nursing Associate. New University of Plymouth approvals are being developed to reflect the opportunities linked to Apprenticeship Standards and HTQ badging as well as the potential opportunity linked to Lifelong Learning Entitlement proposals. Curriculum Developments in Nursing and Allied health in partnership with the University of Greenwich are now well established. The future strategy for higher education is in development, with the establishment of hubs focused on NHS and commercial provision.

The College has Investors in Diversity and Investor in Careers status and also Matrix accreditation for advice and guidance across the whole of its provision. Reaccreditation for Investors in Diversity was achieved in February 2021 and Matrix reaccreditation was awarded in March 2023. The College demonstrated its commitment to Mental Health and Wellbeing by signing the AOC Mental Health Charter in 2024, producing a Mental Health Strategy and training a leader to be the Senior Mental Health Lead.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Risk Management**

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.



## STRATEGIC REPORT (CONTINUED)

Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College which is reviewed at least annually by the Audit Committee and the Corporation, and more frequently where necessary.

## EQUALITY, DIVERSITY AND INCLUSION

Truro and Penwith College has a commitment to meet the general and specific duties contained in The Equality Act 2010. The College recognises the educational and business benefits of having a diverse community of staff and learners who value inclusion, diversity, one another and contribute to the achievement of the College's mission:

***'to provide the best possible learning experience leading to the highest possible level of achievement by our students'***

The College was reaccruited with the Investors in Diversity Quality Mark in 2021 and ranked within the top 25 of the 600+ organisations involved nationally with the scheme. This demonstrates the College's commitment to an all-encompassing approach to equality, diversity and inclusion. The College culture seeks to be inclusive and as appropriate provide support to remove barriers to the educational achievement, personal progression and participation of individual learners. The College aims to provide a learning and working environment which values individuals equally and does not disadvantage individuals by discriminating on any grounds including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex (gender), and sexual orientation.

In the College's earlier individual equality schemes, detail was given both on the legislative framework and on the general and specific statutory duties which apply to all public bodies, including tertiary colleges. This policy remains compliant with these duties, which cover race, disability, age and gender, and also encompasses the broader single equality duty covering the protected characteristics. This Policy sets out the College's equality principles, aims and objectives for the period 2024/25. The scheme describes how the College will:

- Promote equality of opportunity and avoid discrimination
- Place the advancement of inclusion, equality and diversity at the centre of its work
- Not tolerate harassment, victimisation or discrimination and has procedures in place to deal with such incidents
- Ensure that Truro and Penwith College operates best practice as an employer in pursuit of equality

The central aim of the College's Policy is to require action which will remove any existing barriers to all staff, students, governors and visitors, irrespective of age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation.

## STRATEGIC REPORT (CONTINUED)

### Trade union facility time

The Trade Union Act 2016 and the Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish data each year on paid facility time for employees who are trade union representatives.

The statutory right to reasonable time off during working hours for trade union representatives is set out in;

- the sections 168, 168A and 170 of the Trade Union and Labour Relations (Consolidation) Act 1992 Act;
- section 10 of the Employment Relations Act 1999; and
- regulations made under section 2 of the Health and Safety at Work etc. Act 1974.

Numbers of employees who were relevant union officials during the relevant period	9
FTE employee number	7.17
Percentage of time	Number of employees
0%	0
1-50%	9
51-99%	0
100%	0

Total cost of facility time	£14,557
Total pay bill	£37,244,297
Percentage of total bill spent on facility time	0.04%

Hours spent on paid facility time	592
Hours spent on paid trade union activities	0
Percentage of total paid facility time hours spent on paid TU activities	0%

### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to disclose data regarding payment performance of suppliers. During the accounting period 1 August 2023 to 31 July 2024, the College paid 60.6 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.



## STRATEGIC REPORT (CONTINUED)

### Disclosure of Information to Auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

**Approved by order of the members of the Corporation on 10 December 2024 and signed on its behalf by:**

Signature  \_\_\_\_\_ Date: 10/12/2024

**Robert Townsend, Chair**

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

### Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and Financial Statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in the Code of Good Governance for English Colleges' ("the Code");

In the opinion of the governors, the College complies with all the provisions of the Code insofar as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2024. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The "new" Code of Good Governance for English Colleges issued by the Association of Colleges in 2023 which it formally adopted in March 2024, and has regard for the Higher Education Code of Governance issued by the Committee of University Chairs (CUC) in September 2020. Following reclassification into the central government sector, policies, procedures and approval processes have been updated to ensure compliance with the new requirements, including processes to identify and handle any transactions for which DfE or HM Treasury approval is now required.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)**

**MEMBERS WHO SERVED ON THE CORPORATION DURING THE YEAR COMMENCING 1 AUGUST 2023 AND UP TO THE DATE OF SIGNATURE OF THIS REPORT ARE LISTED BELOW**

Name	Date of First Appointment	Date of Latest Appointment	Term of Office	Date of Resignation	Status	Committees Served	Corporation Meetings Attended in 2023/24	Total Meetings Attended in 2023/24
Mrs K Ashworth	1 Aug 2013	1 Aug 2021	31 Jul 2025		External Member	Employment & Business Policy; Investment Panel; Finance & General Purposes	5/5	11/15
Mr N Basher	24 June 2024	n/a	31 Dec 2025		Student Member		1/1	1/1
Mrs L Batchelor	1 Oct 2012	27 Mar 2024	30 Sep 2028		External Member	Employment & Business Policy; Audit; Teaching, Learning & Assessment; Remuneration (Chair); Search & Governance	4/5	14/19
Mr R Bray	1 Sept 2020	1 Sept 2024	31 Aug 2028		Staff Member	Teaching, Learning & Assessment	4/4	5/9
Mr P Callen	1 Nov 2016	1 Aug 2020	31 Jul 2024		External Member	Finance & General Purposes (Chair); Investment Panel (Chair)	5/5	12/12
Mr D Clayton-Madge	27 Mar 2024	n/a	26 Mar 2028	02 July 2024	External Member	Employment and Business Policy	0/0	1/1
Mr D Collins	1 Aug 2017	1 Aug 2021	31 Jul 2025		External Member	Finance & General Purposes; Teaching, Learning & Assessment; Remuneration	2/5	9/14
Mrs J Connor	6 Dec 2023	n/a	31 Aug 2024	23 March 2024	Student Member	HE Quality Assurance Group	0/0	1/1
Mr P Cox	27 Mar 2024	n/a	26 Mar 2028		External Member	Finance & General Purposes; Audit	1/1	4/4
Mr H Dean	13 Dec 2023	n/a	31 July 2024	27 March 2024	Student Member	Teaching, Learning & Assessment	2/2	2/2
Mrs L Gooding	1 Sept 2020	n/a	31 Aug 2024		External Member	Teaching, Learning & Assessment	0/5	9/9
Mr L Hallam	4 Oct 2023	n/a	3 Oct 2027	26 March 2024	External Member	Audit Committee	0/3	1/5

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)**

**MEMBERS WHO SERVED ON THE CORPORATION DURING THE YEAR COMMENCING 1 AUGUST 2023 AND UP TO THE DATE OF SIGNATURE OF THIS REPORT (CONTINUED)**

Name	Date of First Appointment	Date of Latest Appointment	Term of Office	Date of Resignation	Status	Committees Served	Corporation Meetings Attended in 2023/24	Total Meetings Attended in 2023/24
Miss H Holmes	24 June 2024	n/a	31 Dec 2024		Student Member	Teaching, Learning & Assessment	0/1	0/1
Mr O Marshall-Whitley	4 Oct 2023	n/a	3 Oct 2027		External Member	Teaching, Learning & Assessment	5/5	9/9
Mrs T Merritt	22 May 2024	n/a	21 May 2028		External Member	Teaching, Learning & Assessment	1/1	1/1
Miss L Ovens	27 Mar 2024	n/a	26 Mar 2024		External Member	Audit	0/1	1/2
Mr J Parsley	4 Oct 2023		31 July 2024	27 March 2024	Student Member	Teaching, Learning & Assessment	3/3	4/4
Ms K Prosser	1 Sept 2020		31 Aug 2024		External Member	Finance & General Purposes	3/5	7/10
Mr R Van De Velde	4 Oct 2023		3 Oct 2027		External Member	Finance & General Purposes	4/5	9/10
Mrs S Sanderson	1 Aug 2014	1 Aug 2022	31 Jul 2026		External Member	Audit; Teaching, Learning & Assessment (Chair); Remuneration; Search & Governance	4/5	13/16
Ms D Skinnard	14 Mar 2006	27 Mar 2024	13 Mar 2028		External Member	Employment & Business Policy (Chair); Audit (Interim Chair)	3/5	8/12

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

MEMBERS WHO SERVED ON THE CORPORATION DURING THE YEAR COMMENCING 1 AUGUST 2023 AND UP TO THE DATE OF SIGNATURE OF THIS REPORT (CONTINUED)

Name	Date of First Appointment	Date of Latest Appointment	Term of Office	Date of Resignation	Status	Committees Served	Corporation Meetings Attended in 2023/24	Total Meetings Attended in 2023/24
Mr R Townsend (Chair of Corporation from 1 April 2023)	1 Aug 2019	1 Aug 2023	31 Jul 2027		External Member	Finance & General Purposes; Investment Panel; Search & Governance	5/5	17/17
Mr M Tucker	1 Sept 2020		ongoing		Principal	Finance & General Purposes; Search & Governance; Employment & Business Policy; Teaching, Learning & Assessment; Investment Panel	5/5	23/23
Prof F Wall	1 Sept 2021	n/a	31 Aug 2025		External Member	Teaching, Learning & Assessment	5/5	5/10
Mrs J Warren	22 May 2024	n/a	21 May 2028		External Member	Audit	1/1	2/2
Mr C Wathern	27 Mar 2024	n/a	26 Mar 2028		External Member	Teaching, Learning & Assessment	1/1	1/2
Mrs A Winter Clerk to the Corporation until 31/12/2023 Miss W Randle Head of Governance started 14/11/2023								

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

The Corporation has the flexibility to vary the membership from a minimum of fifteen to a maximum of twenty-five governors) and includes the Accounting Officer, a staff member, three students and at least eleven external members.

The Search and Governance Committee has established clear rules for the appointment and re-appointment of governors and is responsible for monitoring the membership of the governing body and its committees; for recruiting, selecting and recommending the appointment and re-appointment of members; and for the succession planning of governors and the Chair of the Corporation as well as the Chairs of the committees.

The Committee meets once each term and reports formally to the Corporation annually. The Committee regularly reviews the overall profile of the governing body, length of service of governors and the skills and experience offered. The Committee is committed to increasing the diversity of the Corporation to broaden the perspective of the boardroom and to include representation from across the local community. The Committee recognises the value of refreshing the membership and actively plans for succession to ensure an appropriate turnover to bring in new ideas whilst ensuring continuity and maintaining the necessary range of skills and experience to operate effectively.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets four times a year.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance and General Purposes, Teaching Learning and Assessment, Employment and Business Policy, Remuneration, Audit, and Search and Governance. There are three sub groups, Investment Panel, SAR Working Group and HE Quality Assurance Group and all have terms of reference, which have been approved by the Corporation. There is also a Chairs' Standing Committee. Full minutes of all meetings, except those deemed confidential by the Corporation, are available from the Head of Governance at: Truro and Penwith College, College Road, Truro, TR1 3XX. They are also available on the College website at [www.truro-penwith.ac.uk](http://www.truro-penwith.ac.uk).

The Head of Governance maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

### Appointments to the Corporation

All new appointments to the Corporation are a matter for approval of the Corporation as a whole. The Corporation has a nominations committee (Search and Governance Committee) which is comprised of the Chair and Vice-Chair of the Corporation, the Chairs of the respective Standing Committees and the Accounting Officer and is responsible for considering nominations and making recommendation to the Corporation. The Corporation is responsible for ensuring that appropriate training and development is provided as required.

Members of the Corporation are appointed for a term of office not exceeding 4 years.

Records of Governors' attendance are maintained and monitored by the Search and Governance Committee.

### Corporation Performance

The Corporation commissioned an external review of governance in 2022/23. Governance4FE was appointed in October 2022 to carry out an External Board Effectiveness Review. The review was carried out over the period from November 2022 to March 2023. The external review concluded:

"Within the overall review of governance compliance and the Board's effectiveness, this is a positive report set against a backdrop of an executive team becoming embedded, and the college addressing the current local strategic and the wider sector policy challenges. This summary of review outcomes should be read in conjunction with the full report as the report contains important contextual information, rationale, and evidence for all the recommendations made. The review considered the Board's effectiveness across the 5 main areas."

Subsequent to the review the Corporation continue to undertake annual self assessment with key themes for development incorporated into a Governance Development Plan agreed by the Corporation, with progress monitored by the Search and Governance committee.

### Governor Training and Development

The Corporation is committed to governor development and all governors are expected to take part in ongoing development and identify any training needs via the biannual skills audit process. Individual governors also attended Association of Colleges sessions on a range of topics including induction training, finance masterclass, audit masterclass, Committee Chairs' meetings and Principal and Chairs' meetings. Other examples of training undertaken include attendance at the EAUC's Whole College Approach to Climate Action, Carbon Literacy for FE/HE Leadership training, Safeguarding and Prevent.

As well as a 24 hour residential conference which includes a programme of presentations on key strategic themes and updates on sector and county developments, additional briefings are provided throughout the year either, delivered internally or by external providers such as High Needs/ SEND Governance training.

The Chair of the Corporation is part of the FEC's Just One Thing programme and is receiving mentoring from a National Leader of Governance (NLG) as part of this offer.

The Clerk to the Corporation left the College in December 2023 and there was a handover period with the new Head of Governance who joined the Corporation in November 2023, having fulfilled the role of Director of Governance for another College Group and the interim roles of Head of Governance/ Director of Governance at two other colleges. The Head of Governance is working towards the Institute of Directors (IoD) Level 7 Diploma for Further Education Governance Professionals (Dip FEGP) and is an Assessor for the Level 6 Award for Further Education Governance Professionals (FEGP). They attend all of the AoC South West Governance Professional network meetings in 2023/24 to maintain their understanding

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

of sector developments and best practice; they co-chair these sessions. They have undertaken various training delivered by Good Governance Institute, Education and Training Foundation and AoC.

### Remuneration Committee

Throughout the year ended 31 July 2024, the College's Remuneration Committee comprised four members, being the Chairs of the Teaching Learning and Assessment and Employment and Business Policy Committees and two other governors. The Committee's responsibilities are to make recommendations to the Chair of the Board on the remuneration and benefits, and other conditions of service, of the Accounting Officer and other senior postholders and have due regard for the AoC Senior Staff Remuneration Code. The Committee agreed to defer their annual meeting to September 2024 so that they could consider any government pay award for the sector, following last year's decision-making timescale.

Details of remuneration for the year ended 31 July 2024 are set out in note 8 to the Financial Statements.

### Audit Committee

The Audit Committee comprises four members of the Corporation (excluding the Accounting Officer and the Chair), who may not be members of the Finance and General Purposes Committee simultaneously, and up to two non-Corporation members, one of whom is a co-opted audit specialist.

The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal and external auditors, who have access to the Committee for independent discussion, without the presence of College management.

The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal and external auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

The Audit Committee met three times in the year to 31 July 2024. The members of the committee and their attendance records are shown below:



## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

<b>Committee member</b>	<b>Meetings attended</b>
Mr K Curtis (appointed February 2023)	3 of 3
Mrs S Sanderson	1 of 3
Ms D Skinnard (Interim Chair)	2 of 3
Mrs L Batchelor	2 of 3
Mr P Cox (appointed March 2024)	1 of 1
Miss L Ovens (appointed March 2024)	1 of 1
Ms J Warren (appointed May 2024)	1 of 1
Mr L Hallam (resigned April 2024)	1 of 2

The Committee note the impact of Interim Chair arrangements and with the support of the Search and Governance Committee are considering succession planning options.

### **Internal Control**

#### ***Scope of Responsibility***

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. 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 Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned under the accountability agreement, funding agreements and contracts with the funding bodies.

He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

#### ***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 ongoing process designed to identify and prioritise the risks to the achievement of College 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 the College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

#### ***Capacity to handle risk***

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

### ***The risk and control framework***

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body;
- Regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At least annually, the Director of Internal Audit (DIA) provides the governing body with a report on internal audit activity in the College. The report includes the DIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### ***Risks faced by the Corporation***

During the year the Corporation identified, evaluated and managed the risks faced as outlined in the principal risks and uncertainties on Page 11.

### ***Control weaknesses identified***

During the annual cycle of reviews the internal auditors did not identify any significant control weaknesses.

### ***Responsibilities under funding agreements***

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The introduction of the College Financial handbook with effect from 1 August 2024 has been noted by the Corporation.

The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

### ***Statement from the Audit Committee***

The Audit Committee has advised the board of governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2023/24 and up to the date of the approval of the financial statements are:

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

- Risk Management
- Budgetary Controls
- Payroll and Expenses
- Safeguarding
- Student Records
- Follow up

### ***Review of effectiveness***

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Accounting Officer's review of the effectiveness of the system of internal control is informed by:

- The work of the internal auditors;
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the College's financial statements auditors in their management letters and other reports.


The Accounting Officer has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor and other sources of assurance. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention by early warning mechanisms which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Management Team and Audit Committee. The emphasis is on obtaining the relevant degree of assurance, not merely reporting by exception. At its November 2024 meeting, the corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the Senior Management Team and internal audit and taking account of events since 31 July 2024.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

**Approved by order of the members of the Corporation on 10 December 2024 and signed on its behalf by:**

Signature   
**Robert Townsend, Chair**

  
**Martin Yucker, Accounting Officer**

Date 10/12/2024

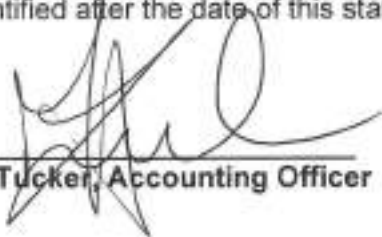
Date 10/12/2024

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of the college's accountability agreement, funding agreements and contracts with ESFA and DfE, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the college's accountability agreement, funding agreements and contracts with ESFA and DfE, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

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

  
\_\_\_\_\_  
Martin Tucker, Accounting Officer

Date:

10/12/2024

### Statement of the Chair of Governors

On behalf of the Corporation, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.

  
\_\_\_\_\_  
Robert Townsend, Chair

Date:

10/12/2024

## STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

The members of the Corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the accountability agreement, funding agreements and contracts with ESFA and DfE, and any other relevant funding bodies, the Corporation, through its Accounting Officer, is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report); and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the Corporation will continue in operation.

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA, DfE and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 10 December 2024 and signed on its behalf by:



\_\_\_\_\_  
Robert Townsend, Chair

Date: 10/12/2024

# INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TRURO AND PENWITH COLLEGE

## Opinion

We have audited the financial statements of Truro and Penwith College (the 'Corporation') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2023 to 2024.

In our opinion the financial statements:

- give a true and fair view of the state of the Corporation's affairs as at 31 July 2024 and of the Corporation's Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, College Accounts Direction 2023 to 2024 and the Office for Students' Accounts Direction.

## Basis for Opinion

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

## Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Corporation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other Information

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

## **INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TRURO AND PENWITH COLLEGE (CONTD)**

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Post 16 Audit Code of Practice Issued by the Education and Skills Funding Agency ('ESFA') requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Corporation, or returns adequate for our audit have not been received from branches not visited by us; or
- the Corporation's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Opinion on other matters prescribed by the Office for Students' Accounts Direction**

In our opinion:

- Funds from whatever source administered by the Corporation for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by the Office for Students ('OfS') and Research England have been applied in accordance with the relevant terms and conditions and any other terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the Corporation's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the Corporation's expenditure on access and participation activities for the financial year has been materially misstated.

### **Responsibilities of Corporation**

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 26, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the Corporation'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 Corporation either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.



## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TRURO AND PENWITH COLLEGE (CONTD)

### Auditor's responsibilities for the Audit of the Financial Statements

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Corporation's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the Corporation's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Corporation's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Corporation ensured it met its obligations arising from it being financed by and subject to the governance requirements of the ESFA and OfS, and as such material compliance with these obligations is required to ensure the Corporation will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal Corporation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Corporation for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Corporation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the College Accounts Direction, the Office for Students' Accounts Direction, the FE HE SORP, and the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Corporation's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TRURO AND PENWITH COLLEGE (CONTD)

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Corporation's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the ESFA and OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of Our Report

This report is made solely to the Corporation, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to it 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 Corporation, for our audit work, for this report, or for the opinions we have formed.



**BISHOP FLEMING LLP**  
Chartered Accountants  
Statutory Auditors  
Chy Nyverow  
Newham Road  
Truro  
Cornwall  
TR1 2DP

Date: 20 December 2024

## **REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CORPORATION OF TRURO AND PENWITH COLLEGE ("THE COLLEGE") AND SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY ("ESFA")**

In accordance with the terms of our engagement letter dated 6 September 2023 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Truro and Penwith College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities that govern them.

The framework that has been applied is set out in the Post 16 Code of Practice ("the Code") issued by ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

This report is made solely to the corporation of Truro and Penwith College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Truro and Penwith 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 the corporation of Truro and Penwith College and ESFA for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Truro and Penwith College and the Reporting Accountant**

The Corporation of Truro and Penwith College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, 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 Code. 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 August 2023 to 31 July 2024 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 Code of Practice issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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 and propriety.

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 of the College's income and expenditure.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CORPORATION OF TRURO AND PENWITH COLLEGE ("THE COLLEGE") AND SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY ("ESFA") (CONTD)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the College's activities;
- Evaluation and validation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the College's self-assessment questionnaire (SAQ);
- Sample testing of income to ensure that funds have been applied for the purposes that they were awarded, focussed on areas assessed as higher risk;
- Confirming through enquiry and understanding the control environment that the College has policies and delegated authorities in respect of procurement; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referenced to our regularity report.

The list is not exhaustive, and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

**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 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament, and that the financial transactions do not conform to the authorities which govern them.



**BISHOP FLEMING LLP**  
Chartered Accountants  
Statutory Auditors  
Chy Nyverow  
Newham Road  
Truro  
Cornwall  
TR1 2DP

Date 20 December 2024

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**  
**For the year ended 31 July 2024**

		Yr ended 31 Jul 24	Yr ended 31 Jul 23
	Notes	£'000	£'000
<b>Income</b>			
Funding Body Grants	2	36,248	33,990
Tuition fees and education contracts	3	7,193	8,061
Other grants and contracts	5	1,724	3,066
Other income	6	3,325	2,926
Investment income	7	424	373
<b>Total income</b>		<b>48,914</b>	<b>48,416</b>
<b>Expenditure</b>			
Staff costs	8	37,244	35,601
Other operating expenses	9	10,733	11,357
Depreciation	13 & 14	5,591	4,872
Interest payable	12	-	88
<b>Total expenditure</b>		<b>53,568</b>	<b>51,918</b>
Deficit before other losses and gains		(4,654)	(3,502)
Gain on disposal of assets		423	334
Gain/(Loss) on investments		338	(695)
<b>Deficit before tax</b>		<b>(3,893)</b>	<b>(3,863)</b>
Taxation		-	-
Actuarial Gain in respect of Pension Schemes	23	(110)	5,869
<b>Total Comprehensive Gain/(Loss) for the year</b>		<b>(4,003)</b>	<b>2,006</b>
<b>Represented by:</b>			
Restricted comprehensive income		-	-
Unrestricted comprehensive income		(4,003)	2,006
		<b>(4,003)</b>	<b>2,006</b>

The Statement of Comprehensive Income and Expenditure is in respect of continuing activities.

**STATEMENT OF CHANGES IN RESERVES**  
**For the year ended 31 July 2024**

	Notes	Income and Expenditure Account £'000	Revaluation Reserve £'000	Restricted Reserve £'000	Total £'000
<b>Balance at 31 July 2023</b>		<b>61,870</b>	<b>1,670</b>	-	<b>63,540</b>
Deficit from the income and expenditure account		(3,893)	-	-	(3,893)
Other comprehensive income	23	(110)	-	-	(110)
Transfers between revaluation and income and expenditure reserves		59	(59)	-	-
<b>Balance at 31 July 2024</b>		<b>57,926</b>	<b>1,611</b>	-	<b>59,537</b>

**BALANCE SHEET**  
As at 31 July 2024

	Notes	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
<b>Non current assets</b>			
Intangible assets	13	32	44
Tangible assets	14	97,502	97,565
Financial assets	15	3,580	4,482
		<u>101,114</u>	<u>102,091</u>
<b>Current assets</b>			
Stock		77	72
Trade and other receivables	16	2,061	1,751
Investments	17	-	500
Cash and cash equivalents	21	3,912	5,775
		<u>6,050</u>	<u>8,098</u>
<b>Less: Creditors - amounts falling due within one year</b>	18	<u>(6,337)</u>	<u>(5,578)</u>
<b>Net current assets/ (liabilities)</b>		<u>(287)</u>	<u>2,520</u>
<b>Total assets less current liabilities</b>		100,827	104,611
<b>Creditors: amounts falling due after more than one year</b>	19	(41,290)	(41,071)
<b>Provisions</b>			
Defined benefit obligations	20	-	-
Other provisions			
<b>Total net assets</b>		<u>59,537</u>	<u>63,540</u>
<b>Unrestricted reserves</b>			
Income and expenditure account		57,926	61,870
Revaluation reserve		1,611	1,670
<b>Total unrestricted reserves</b>		<u>59,537</u>	<u>63,540</u>
<b>Total reserves</b>		<u>59,537</u>	<u>63,540</u>

The financial statements on pages 34-57 were approved by the Corporation on 10 December 2024 and were signed on its behalf by:

  
Robert Townsend, Chair

  
Martin Tucker, Accounting Officer

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 July 2024**

	Notes	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
<b>Cash flow from operating activities</b>			
Deficit for the year		(3,893)	(3,863)
<b>Adjustment for non-cash items</b>			
Depreciation		5,591	4,872
Decrease in stocks		(5)	(1)
(Increase)/decrease in debtors		(310)	161
Increase/(decrease) in creditors due within one year		702	(593)
(Decrease) in creditors due after one year		(24)	(14)
Release of deferred capital grants		(2,080)	(1,495)
Pensions costs less contributions payable		110	983
Taxation		-	-
<b>Adjustment for investing or financing activities</b>			
Investment income		(314)	(373)
Interest payable		-	-
Taxation paid		-	-
(Profit) on disposal of fixed assets		(423)	(334)
(Gain)/loss on investments		(338)	695
<b>Net cash flow from operating activities</b>		<b>(984)</b>	<b>38</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	1
Disposal of non-current asset investments		5,126	7,753
Repayment of capital grants		-	(179)
Payments to acquire fixed assets		(5,113)	(9,017)
Payments to acquire non-current investments		(3,887)	(4,476)
Withdrawal of deposits		500	-
Receipt of deferred capital grants		2,181	4,435
Investment income		314	373
		<b>(879)</b>	<b>(1,110)</b>
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(1,863)</b>	<b>(1,072)</b>
Cash and cash equivalents at beginning of the year	21	5,775	6,847
Cash and cash equivalents at end of the year	21	<u>3,912</u>	<u>5,775</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of Preparation**

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2023 to 2024* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

#### **Basis of Accounting**

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

#### **Going Concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. While the College has faced some challenges as a result of increased inflation and lingering effects of the pandemic, it has significant reserves including cash and cash equivalents of almost £7.5m and no borrowings. For this reason the College will continue to adopt the going concern basis in the preparation of its Financial Statements.

#### **Basis of Consolidation**

The financial statements include the activities of the College only, as the College does not have any subsidiaries. All financial statements are made up to 31 July.

In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

The College is the responsible body for the Cornwall School Centred Initial Teacher Training programme (Cornwall SCITT). Cornwall SCITT is managed independently from the College and its results have not been consolidated into the group accounts, although details of its results are published in note 27.

#### **Recognition of Income**

##### ***Revenue Grant Funding***

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

The recurrent grant from the OFS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income. Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

### **Capital Grant Funding**

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other non-government capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as conditions are met.

### **Fee Income**

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

### **Investment Income**

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

### **Agency Arrangements**

The College acts as an agent in the collection and disbursement of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to this transaction. Details are shown separately in note 25, except for 5% of the grant received, which is available to the College to cover administration costs relating to the grant.

### **Accounting for Post-employment Benefits**

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

#### **Teachers' Pension Scheme (TPS)**

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### **Cornwall Local Government Pension Scheme (LGPS)**

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income 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 interest and other finance costs.

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

### **Short term Employment benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

### **Enhanced Pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

### **Non-current Assets - Tangible Fixed Assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

#### **a. Land and Buildings**

The College's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings inherited from the Local Education Authority (LEA) are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Other land and buildings are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated over their expected useful economic life to the institution of 50 years.

Improvements to buildings are depreciated over their expected useful economic life to the institution of 10 years.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

### **Subsequent expenditure on existing fixed assets**

Where significant expenditure is incurred on tangible fixed assets, it is charged to the income and expenditure account in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

The College has a long-term maintenance plan, which forms the basis of the ongoing maintenance of the estate. The cost of long term and routine corrective maintenance is charged to the income and expenditure account as incurred.

### **b. Equipment**

All furniture and equipment costing more than £100 per item, and when grouped totals more than £1,000, is capitalised. All purchases below this level are written off to the income and expenditure account in the year of acquisition. Capitalised equipment is depreciated on a straight line basis over its useful economic life as follows:

Computer equipment	3 years
Motor vehicles and general equipment	5 years
Furniture	8 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

### **Intangible Assets**

Intangible assets such as software, are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual value over their estimated useful life of 5 years, on a straight line basis.

An intangible asset will be recognised only if future economic benefits flow to the College and the cost of the asset can be measured reliably.

### **Leased Assets**

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1<sup>st</sup> August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1<sup>st</sup> August 2014.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### **Investments**

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

### **Cash and Cash Equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

### **Financial Liabilities and Equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FR3 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

### **Stocks**

Stocks are stated at the lower of their cost and net realisable value and consists of items for the Shop. Where necessary, provision is made for obsolete slow moving and defective stocks.

### **Taxation**

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 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.

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

### **Provisions and Contingent Liabilities**

Provisions are recognised when:

- the College has a present legal or constructive obligation as a result of a past event,
- it is probable that a transfer of economic benefit will be required to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

### Foreign Currency Translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

### Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

#### *Other key sources of estimation uncertainty*

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit value depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2023 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

forward approach and a full actuarial valuation would impact on the carrying amount of the pension, which this year was an asset. The asset on the balance sheet has been restricted to the extent that it is deemed recoverable.

### 2. Funding Body Grants

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
<b>Recurrent Grants</b>		
Education and Skills Funding Agency - adult	578	502
Education and Skills Funding Agency - 16-18	28,368	27,441
Education and Skills Funding Agency - apprenticeships	3,527	3,226
Office for Students	302	248
<b>Specific Grants</b>		
Teachers' Pensions Grant	1,393	1,078
Releases of Government Capital Grants	2,080	1,495
<b>Total</b>	<b>36,248</b>	<b>33,990</b>

### 3. Tuition fees and Education Contracts

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Adult education fees	524	536
Apprenticeship fees and contracts	41	39
Fees for FE loan supported courses	247	237
Fees for HE loan supported courses	2,773	3,104
International students fees	-	-
<b>Total tuition fees</b>	<b>3,585</b>	<b>3,916</b>
Education contracts	3,608	4,145
<b>Total</b>	<b>7,193</b>	<b>8,061</b>

### 4. OfS Sources of Grant and Fee Income

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Grant Income from the OfS	302	248
<b>Net Grant Expenditure (note 2)</b>	<b>302</b>	<b>248</b>
Fee income for Taught Awards (note 3)	2,773	3,103
Fee income for Research Awards	-	-
Fee income for Non Qualifying Courses	492	728
<b>Total</b>	<b>3,265</b>	<b>3,831</b>

### 5. Other Grants and Contracts

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
European Commission income	467	1,568
Other grants and contracts	1,257	1,498
Coronavirus Job Retention Scheme Grant	-	-
<b>Total</b>	<b>1,724</b>	<b>3,066</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### 6. Other Income

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Catering and residences	226	190
Other income generating activities	431	397
Miscellaneous Income	2,668	2,339
<b>Total</b>	<b>3,325</b>	<b>2,926</b>

### 7. Investment Income

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Other investment income	208	270
Other interest receivable	216	103
<b>Total</b>	<b>424</b>	<b>373</b>

### 8. Staff Costs

The average number of persons (including key management personnel) employed by the College during the year was:

	Yr ended 31 Jul 24	Yr ended 31 Jul 23
Teaching staff	590	573
Non teaching staff	617	637
	<b>1,207</b>	<b>1,210</b>

Staff costs for the above persons:	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Wages and salaries	28,702	26,846
Social Security costs	2,566	2,330
Restructuring costs	92	371
Other pension costs including FRS 102 adjustment of £0 (2023: £895,000)	5,884	6,054
<b>Total</b>	<b>37,244</b>	<b>35,601</b>

The Corporation does not have any salary sacrifice arrangements in place.

#### Severance payments

The corporation paid 12 severance payments in the year, disclosed in the following bands:

	Yr ended 31 Jul 24	Yr ended 31 Jul 23
£0 - £25,000	12	14
£25,001 - £50,000	-	4
£50,001 - £100,000	-	1

Included in staff restructuring costs was a special payment of £6,430.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### Key Management Personnel

Key management personnel are defined as the Principal and holders of the other senior posts whom the governing body have selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff.

Key management personnel for the College during the year were the Accounting Officer, the Director of Operations, the Chief Finance Officer, the Director of Partnerships and Apprenticeships, the Director of Teaching and Learning, the Director of Curriculum Development, the Director of Student Experience and the Director of Operations (Penwith).

No payments were made to key management personnel as compensation for loss of office during the year ended 31 July 2024.

The number of key management, and other personnel earning over £60,000, who received emoluments excluding pension contributions and employer's national insurance, but including benefits in kind in the following ranges was:

	KMP 2024	Other 2024	KMP 2023	Other 2023
£25,001 - £30,000	1	-	-	-
£60,001 - £65,000	-	2	-	-
£65,001 - £70,000	1	2	1	-
£70,001 - £75,000	-	-	1	-
£75,001 - £80,000	1	-	-	-
£80,001 - £85,000	-	-	-	-
£85,001 - £90,000	2	-	2	-
£90,001 - £95,000	1	-	1	-
£95,001 - £100,000	1	-	1	-
£100,001 - £105,000	-	-	1	-
£105,001 - £110,000	1	-	-	-
£150,001 - £155,000	-	-	1	-
£155,001 - £160,000	-	-	-	-
£160,001 - £165,000	1	-	-	-
	<b>9</b>	<b>4</b>	<b>8</b>	<b>-</b>

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Key management personnel emoluments are made up as follows:		
Basic Salary	810	763
Benefits in kind	-	-
Pension contributions	188	171
<b>Total emoluments</b>	<b>998</b>	<b>934</b>

The above compensation includes amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Salary	162	154
Benefits in kind	-	-
	<b>162</b>	<b>154</b>
Pension contributions	41	36

The governing body has adopted AoC's Senior Staff Remuneration Code in March 2019 and will assess pay in line with its principles in future.

The remuneration package of Key Management Staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of Governing Body, who undertakes an annual review of his performance against the college's overall objectives using both qualitative and quantitative measures of performance.

### Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Principal's basic salary as a multiple of the median of all staff	5.5	5.7
Principal and CEO's total remuneration as a multiple of the median of all staff	5.6	5.8

The members of the Corporation other than the Accounting Officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

### 9. Other Operating Expenses

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Teaching costs	3,602	3,879
Non teaching costs	3,660	3,836
Premises Costs	3,471	3,642
<b>Total</b>	<b>10,733</b>	<b>11,357</b>

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Other operating expenses include:		
Auditors' remuneration		
- internal audit	16	13
- financial statements audit	35	29
- other services provided by the external auditors	14	8

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### 10. Access and Participation Expenditure

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Access Investment	102	108
Financial Support Provided to Students	152	189
Support for Disabled Students	47	51
Research and Evaluation	17	12
<b>Total</b>	<b>318</b>	<b>360</b>

The College's Access and Participation plan for the year ended 31 July 2024 is published at [https://apis.officeforstudents.org.uk/accessplansdownloads/2025/Truro&Penwith\\_APP\\_2020-21\\_V1\\_10007063.pdf](https://apis.officeforstudents.org.uk/accessplansdownloads/2025/Truro&Penwith_APP_2020-21_V1_10007063.pdf)

### 11. Write offs

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Debts written off during the year	50	18
<b>Total</b>	<b>50</b>	<b>18</b>

During the year the college wrote off two debts over £5,000 of £8,224 and £9,250 relating to student fees.

### 12. Interest Payable

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Pension finance costs (note 23)	-	88
<b>Total</b>	<b>-</b>	<b>88</b>

### 13. Intangible Assets

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
<b>Cost or valuation</b>		
At 1 August 2023	57	57
<b>At 31 July 2024</b>	<b>57</b>	<b>57</b>
<b>Depreciation</b>		
At 1 August 2023	13	2
Charge for year	12	11
<b>At 31 July 2024</b>	<b>25</b>	<b>13</b>
<b>Net book value at 31 July 2024</b>	<b>32</b>	<b>44</b>
Net book value at 31 July 2023	44	55

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### 14. Tangible Fixed Assets

	Land and Buildings Freehold £'000	Equipment £'000	Assets in the course of construction £'000	TOTAL £'000
<b>Cost or valuation</b>				
At 1 August 2023	124,000	15,968	9,690	149,658
Additions	3,340	1,386	790	5,516
Transfer on use	9,690		(9,690)	-
<b>At 31 July 2024</b>	<b>137,030</b>	<b>17,354</b>	<b>790</b>	<b>155,174</b>
<b>Depreciation</b>				
At 1 August 2023	41,649	10,443	-	52,092
Charge for year	3,415	2,165	-	5,580
<b>At 31 July 2024</b>	<b>45,064</b>	<b>12,608</b>	<b>-</b>	<b>57,672</b>
<b>Net book value at 31 July 2024</b>	<b>91,966</b>	<b>4,746</b>	<b>790</b>	<b>97,502</b>
Net book value at 31 July 2023	82,351	5,524	9,690	97,565

Inherited land and buildings were valued for the purpose of the 1995 financial statements at depreciated replacement cost by the Chief Land Agent and Valuer of the County Council.

### 15. Non-Current Investments

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
<b>Non-current investments at 1 August 2023</b>	<b>4,482</b>	<b>8,025</b>
Additions	1,771	4,476
Disposals	(5,126)	(7,753)
FV gain/(loss)	338	(695)
Movement in cash account	2,115	429
<b>Balance at 31 July 2024</b>	<b>3,580</b>	<b>4,482</b>

Fluctuations in the fair value of investments are recognised as a charge through income and expenditure.

### 16. Debtors

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Amounts falling due within one year:		
Trade receivables	423	292
Prepayments and accrued income	1,638	1,459
<b>Total</b>	<b>2,061</b>	<b>1,751</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### 17. Current Investments

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Monies invested short term on the money market	-	500

### 18. Creditors: Amounts falling due within one year

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Trade Creditors	1,250	898
Accruals	818	1,553
Staff Holiday Pay Accrual	644	650
Payments received in advance	1,009	368
Deferred income – government capital grants	2,345	1,879
Amounts owed to Funding Bodies	271	230
<b>Total</b>	<b>6,337</b>	<b>5,578</b>

### 19. Creditors: Amounts falling due after more than one year

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Deferred Capital Grant	41,105	40,863
Other Deferred Income	184	208
<b>Total</b>	<b>41,290</b>	<b>41,071</b>

### 20. Provisions for Liabilities and Charges

	Defined Benefit Obligations £'000	Other Provisions £'000	Total £'000
At 1 August 2023	-	-	-
Expenditure in the period	-	-	-
<b>At 31 July 2024</b>	<b>0</b>	<b>-</b>	<b>0</b>

Whilst actuarial reports show a funding surplus from actuarial gains, the value recognised on the balance sheet is restricted to the extent that it is recoverable (see Note 23).

### 21. Cash and Cash Equivalents

	1 Aug 23 £'000	Cash Flow £'000s	31 Jul 24 £'000
Cash in hand at Bank	5,775	(1,863)	3,912
<b>Total</b>	<b>5,775</b>	<b>(1,863)</b>	<b>3,912</b>

Cash balances that are held in investments are included under Cash and Cash Equivalents where they meet the definition.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### 22. Capital and Other Commitments

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Commitments contracted for but not provided at 31 July:	1,128	2,261
Authorised but not contracted for at 31 July:	336	604
	<b>1,464</b>	<b>2,865</b>

### 23. Defined Benefit Obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuations of the TPS was 31 March 2020 and the LGPS was 31 March 2023.

#### Total pension cost for the year

	Year ended 31 Jul 24 £'000	Year ended 31 Jul 23 £'000
Teachers' Pension Scheme:		
Contributions paid	3,709	3,166
Local Government Pension Scheme:		
Contributions payable	2,010	1,905
FRS 102 (28) charge	55	895
Charge to the Income and Expenditure Account (staff costs)	2,065	2,800
<b>Total pension cost for year</b>	<b>5,774</b>	<b>5,966</b>

Contributions amounting to £NIL (2023: £NIL) were payable to the above schemes at 31 July 2024 and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

### Valuation of the Teachers' Pension Scheme

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from April 2024 onwards (compared to 23.68% from September 2019). The DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 and subsequent academic years including the recent increase.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2024/10/valuation-result>

The pension costs paid to TPS in the year amounted to £3,709,000 (2023: £3,166,000).

### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Cornwall Pension Fund.

The total contributions made for the year ended 31 July 2024 were £2,676,000 of which employers' contributions totalled £2,021,000 and employees' contributions totalled £655,000. Employer's contribution rates were 18.4% for the College as the employer and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

### Principal Financial Assumptions:

The following information is based on a full actuarial valuation of the Fund at 31 March 2023, updated to 31 July 2024 by Hymans Robertson, a qualified independent actuary.

	At 31 Jul 2024	At 31 Jul 2023
Salary Increase Rate	2.75%	3.0%
Pension Increase Rate (CPI)	2.75%	3.0%
Discount rate	5.00%	5.1%

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.

	At 31 July 2024	At 31 July 2023
<i>Retiring today</i>		
Males	21.3	21.4
Females	24.3	24.3
<i>Future Pensioners*</i>		
Males	20.1	21.0
Females	25.1	25.2

\* Figures assume members aged 45 as at the last formal valuation date.

### Sensitivity Analysis

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

Change in assumptions at 31 July 2024	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £'000
0.1% decrease in Real Discount Rate	2%	1,085
1 year increase in member life expectancy	4%	2,007
0.1% increase in the Salary increase Rate	0%	27
0.1% increase in the Pension Increase Rate	2%	1,081

The College's share of the assets in the plan at the balance sheet date and the expected rates of return were:

	Long-term rate of return expected 31 July 2024 % per annum	Value at 31 July 2024 £'000	Long-term rate of return expected 31 July 2023 % per annum	Value at 31 July 2023 £'000
Equities	5.20%	32,863	5.10%	27,609
Bonds	5.20%	17,527	5.10%	18,072
Property	5.20%	3,286	5.10%	3,514
Cash	5.20%	1,095	5.10%	1,004
<b>Total Market Value of Assets</b>		<b>54,770</b>		<b>50,199</b>
Present value of scheme liabilities		(50,182)		(46,894)
<b>Surplus/(deficit) in the scheme</b>		<b>4,588</b>		<b>3,305</b>
Cumulative surplus not recognised		(4,588)		(3,305)
<b>Surplus/(deficit) recognised on balance sheet</b>		<b>-</b>		<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	Year ended 31 Jul 24 £'000	Year ended 31 Jul 23 £'000
Fair value of plan assets	50,182	46,894
Present value of plan liabilities	(50,182)	(46,894)
<b>Net pensions liability (Note 20)</b>	<b>(0)</b>	<b>(0)</b>

### Amounts included in staff costs

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Current service cost	(2,076)	(3,019)
Past service cost	-	(64)
<b>Total</b>	<b>(2,076)</b>	<b>(3,083)</b>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

### Amount recognised in Other Comprehensive income

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Return on pension plan assets	515	(2,674)
Experience gains/(losses) arising on defined benefit obligations	(1,652)	(7,187)
Change in assumptions underlying the present value of plan liabilities	2,312	19,035
Actuarial gain not recognised as asset	(1,285)	(3,305)
<b>Amount recognised in Other Comprehensive Income</b>	<b>(110)</b>	<b>5,869</b>

### Movement in net defined benefit liability during year

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Net defined liability in scheme at 1 August	-	(4,886)
Movement in year:		
Current service cost	(2,076)	(3,083)
Employer contributions	2,021	2,188
Past service cost	-	-
Net interest on the defined liability	-	(88)
Actuarial gain or loss	1,340	9,174
Actuarial gain not recognised as asset	(1,285)	(3,305)
<b>Net defined liability at 31 July</b>	<b>0</b>	<b>0</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

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

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
<b>Defined benefit obligations at start of period</b>	46,894	54,578
Current service cost	2,076	3,083
Interest cost	2,407	1,857
Contributions by scheme participants	655	613
Experience gains and losses on defined benefit obligations	1,652	6,800
Changes in financial assumptions	(2,211)	(17,707)
Changes in demographic assumptions	(101)	(1,328)
Estimated benefits paid	(1,190)	(1,002)
Past Service cost	-	-
<b>Defined benefit obligations at end of period</b>	<b>50,182</b>	<b>46,894</b>

### Changes in fair value of plan assets

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
<b>Fair value of plan assets at start of period</b>	46,894	49,692
Interest on plan assets	2,572	1,769
Return on plan assets	515	(3,061)
Employer contributions	2,021	2,188
Contributions by Scheme participants	655	613
Estimated benefits paid	(1,190)	(1,002)
Surplus not recognised	(1,285)	(3,305)
<b>Fair value of plan assets at end of period</b>	<b>50,182</b>	<b>46,894</b>

The estimated value of employer contributions for the year ended 31 July 2024 is £2,277,000.

## 24. Related Party Transactions

Due to the nature of the College's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. See notes 26 - 29 for details of related party transactions and balances.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD)

### 25. Amounts Disbursed as Agent

#### Learner Support Funds

	Yr ended 31 Jul 24 £'000	Yr ended 31 Jul 23 £'000
Funding body grants – discretionary learner support	1,934	1,787
Funding body grants – residential bursaries	-	-
Other Funding bodies grants	-	-
Interest earned	1	1
	<u>1,935</u>	<u>1,788</u>
Disbursed to students	(1,637)	(1,791)
Administration costs	(78)	(5)
<b>Balance under/(over)spent as at 31 July 2024</b>	<b><u>220</u></b>	<b><u>(8)</u></b>

Funding body grants are available solely for students; the College acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

### 26. Truro and Penwith College Trust Fund

A separate charity, registered with the Charities Commission, raises money to help students of Truro and Penwith College, Callywith College, Shewula High School in Eswatini along with other young people across Cornwall by providing support towards the cost of educational trips, equipment and living costs. The charity currently has 5 trustees: the Accounting Officer and Chair of Governors from Truro and Penwith College along with the two other Governors from Callywith College and Truro and Penwith College and has recently recruited a further independent trustee. The charity is managed and controlled independently from the College and its results have not been consolidated.

The charity produces separate accounts, which show that at 31 July 2024 it has unrestricted reserves of £34,321 (2023: £35,777) and restricted reserves of £17,953 (2023: £15,796) with expenditure totalling £9,718 (2023: £11,293) for the period. The College manages the day-to-day functions of the Trust and during the period received donations on behalf of the Trust Fund and also made some payments on behalf of the Trust Fund, resulting in a balance of £1,386 (2023: £343) owed to the College at 31 July 2024. The majority of the Trust's income is through donations to the child sponsorship scheme supporting students in Eswatini and raising funds in relation to the joint trip to Eswatini undertaken by Truro and Penwith College and Callywith College where 40 students from both colleges visited the region and worked with the local communities.

### 27. Cornwall SCITT

The College is the responsible body for the Cornwall School Centred Initial Teacher Training programme (Cornwall SCITT). Separate bank accounts are maintained and financial statements submitted to the National College for Teaching & Leadership in the format prescribed by them. Cornwall SCITT is a consortium of up to 85 local nursery, primary and secondary schools including a Special School MAT and Truro and Penwith College offering training for the 3-11 and 11-16 age range with post 16 enhancements. Cornwall SCITT is managed independently from the College and its results have not been consolidated.

During 2023/24 the College recharged staff and other costs incurred on behalf of Cornwall SCITT totalling £649,479 (2023: £623,957).

**28. Truro and Penwith Academy Trust**

The College has been instrumental in setting up Truro and Penwith Academy Trust, a multi academy trust which sponsors and supports primary and secondary schools in Cornwall. Truro and Penwith Academy Trust is a company limited by guarantee and has been established as an independent entity. The Trust has entered into a funding agreement with the Education and Skills Funding Agency and is required to submit financial statements to the ESFA in the format prescribed by them. The terms of the funding agreement ensure that the College does not exercise control over the Trust and therefore its results have not been consolidated. The Trust will publish its annual accounts on its website during January 2025 (<http://tpacademytrust.org>).

The support provided to the Trust by the College is at arm's length and in accordance with the College's financial procedures. During 2023/24 the College recharged costs incurred on behalf of the Trust totalling £6,938 (2023: £36,176). During the year the College made purchases totalling £1,389 (2023: £2,375) from the Trust. At the year-end £3,399 (2023: £3,199) was due to the College from the Trust.

**29. Callywith College Trust**

The College has been instrumental in setting up Callywith College Trust, a tertiary college in the east of the county which opened its doors to students for the first time in September 2017. Callywith College Trust is a company limited by guarantee and has been established as an independent entity. The Trust entered into a funding agreement with the Education and Skills Funding Agency in 2017 and is required to submit financial statements to the ESFA in the format prescribed by them. The terms of the funding agreement ensure that the College does not exercise control over the Trust and therefore its results have not been consolidated. The Trust will publish its annual accounts on its website during January 2025 (<http://www.callywith.ac.uk>).

The support provided to the Trust by the College is at arm's length and in accordance with the College's financial procedures. During 2023/24 the College recharged staff and other costs incurred on behalf of the Trust totalling £144,450 (2023: £122,061). In addition to this the College charged £338,986 (2023: £220,317) in respect of its provision of cross college support to the Trust. The College made this charge at cost and did not make a profit from the transaction. During the year the College made purchases totalling £940 (2023: £1,551) from the Trust. At the year-end £186,718 (2023: £15,368) was due to the College from the Trust.