

Report and Financial Statements

31 July 2021



“The mission of Sir George Monoux Sixth Form College is to give students control of their future by learning and changing today.”

Key management personnel

Key management personnel are defined as the members of the Corporation including the members of the College Senior Leadership Team and the latter of which were represented by the following in 2020/21:

David Vasse – Principal and Accounting Officer

Holly Bembridge – Vice Principal - Curriculum

James Gould – Vice Principal – Student Services and Recruitment

David Ball – Senior Director of Finance and Resources

Board of Governors

A full list of Governors is given on page 21 of these financial statements. Mr R Smith acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

MHA MacIntyre Hudson

6th Floor

2 London Wall Place

London

EC2Y 5AU

Internal auditors:

Scrutton Bland

Fitzroy House, Crown Street ,

Ipswich ,

Suffolk ,

IP1 3LG

Bankers:

Lloyds Bank PLC

Gresham Street

London

EC2V 7HN

Solicitors:

Birketts

22 Station Road

Cambridge

CB1 2JD

Insurance

Zurich Municipal

2 Gladiator Way

Farnborough

GU14 6GB

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Strategic Report

OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2021.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Sir George Monoux College. The Corporation was incorporated as Sir George Monoux College on 30 September 1992.

The College is an exempt charity for the purposes of part 3 the Charities Act 2011.

Mission

Our mission is “To give students control of their future by learning and changing today.”

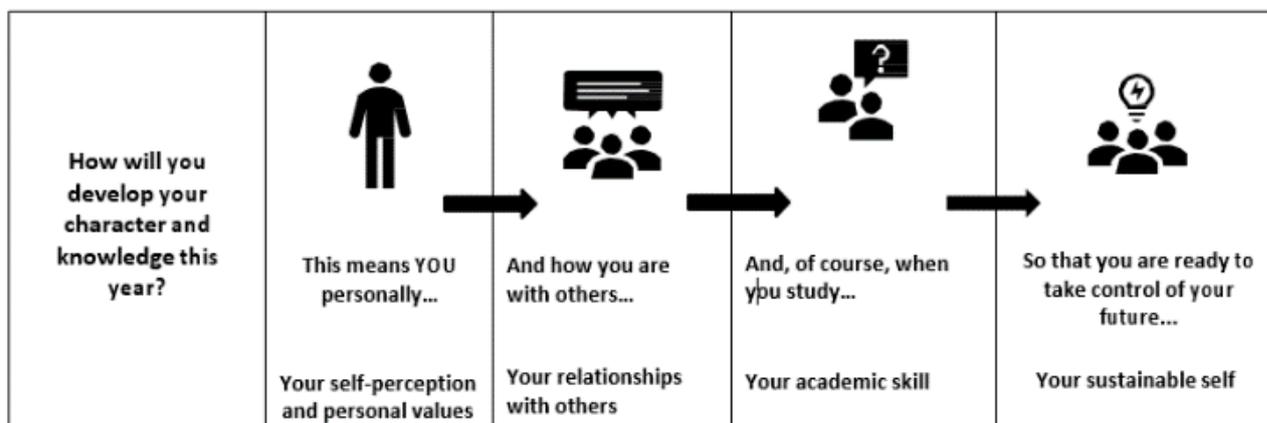
At Sir George Monoux College, we work to increase students’ capacity to acquire lasting knowledge and to develop character. Knowledge and character combine to help students build a vision for their future, ideas and the confidence to engage.

We want our students to have control of their future and our belief is that, by focusing on what is important today, above all by learning today and by being able to make changes today, that future control will be more achievable.

Everything that we do and everything that we are proposing to do implies the following values:

1. Work hard to acquire deep knowledge
2. Have the will to change
3. Be respectful and trusting of others

There are two fundamental concepts that frame everything we do at Monoux. Firstly, we have a very clearly defined concept of the **Monoux Student** and we use this as a framework for all our work to support students in overcoming disadvantage and in gaining mastery:



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Secondly, we have developed a research-based model of teaching, our **Monoux Teacher** framework, that drives professional practice and gives curriculum delivery its identity. We embed the Monoux Teacher framework into our six curriculum Pathways, so that we create a culture of teaching that is consistent for all but which can be adapted to different disciplines and sector skills.



Public Benefit

Sir George Monoux College 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 Corporation, who are trustees of the College, are disclosed on page 21.

In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement in 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 the advancement of education:

- ◆ High-quality teaching;
- ◆ Widening participation and tackling social exclusion;
- ◆ The College is government funded and hence tuition fees are not a barrier to participation;
- ◆ High progression rates to Higher Education;
- ◆ Excellent employment rates for students;
- ◆ Strong student support systems, and
- ◆ Links with employers, industry and commerce.

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Implementation of the Strategic Plan

The latest strategic plan was agreed by the Governing Body on 9th July 2019.

Implementation work started but was affected by the effects of the COVID-19 lockdown on the United Kingdom.

Performance indicators

Success rates were 91.4% in 2019/20, achieving the College's target. In 2020/21 the rate was 89.3%, though the use of alternative assessment methods in 2019/20 and 2020/21 means comparisons are difficult.

ALPs scores at level 3 significantly improved again (blue is the bottom quartile, red the top quartile) as only 1% are now in the bottom quartile:

| YEAR | Entries to ALPS blue subjects | | Entries to ALPS black subjects | | Entries to ALPS red subjects | |
|-------|-------------------------------|------------|--------------------------------|------------|------------------------------|------------|
| | Number | Proportion | Number | Proportion | Number | Proportion |
| 20/21 | 27 | 1% | 546 | 19% | 2,314 | 80% |
| 19/20 | 15 | 1% | 613 | 33% | 1,221 | 66% |
| 18/19 | 248 | 9% | 576 | 20% | 1,987 | 71% |
| 17/18 | 354 | 14% | 1132 | 44% | 1091 | 42% |
| 16/17 | 1110 | 33% | 1614 | 48% | 615 | 18% |
| 15/16 | 2452 | 60% | 1054 | 26% | 579 | 14% |

Attendance and punctuality were 88% and 98%.

The College remained in good financial health, though it dropped to the midpoint score for this grade; this was planned and the increase in funding following growth will allow the College to return to surplus in 2021/22.

COVID-19

The College managed the pandemic interference well in the year. A program of online lessons, and continued operation of the College for the vulnerable, meant that operations were never suspended. Significant resources were used to monitor the progress of students and manage wellbeing fallout from the pandemic.

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The College recruited (and retained to the census date) 1,664 students, less than it was funded for. This decrease was due to changes in recruitment patterns attributed to the pandemic.

- The deficit was below the target of a surplus of 0.5% of income, this was a decision taken as part of the budget process due to lagged funding;
- Cash flow from operating activities was positive as budgeted;
- Payroll costs at 69% were below the target of 70%, and
- Solvency was maintained at an efficient level.

FINANCIAL POSITION

Financial results

The College generated an operating deficit in the year of £744,000 (after £674,000 of FRS 102 S28 related pension costs) (2019/20 – deficit of £242,000 after £465,000 of FRS 102 S28 costs). The direct costs of COVID-19 were in the order of £300,000, not including lost letting income of approximately £30,000. Due to savings earlier in the year the College still performed slightly better than budgeted, despite the unforeseen circumstances.

The College did not furlough any staff, as income reduced by such a small degree. Staff were all utilised to maintain service delivery (academic and pastoral) to students and provide effective support services. The College also honored all its contracts for regular agency staff. No financial support was needed from any funding agency or the government.

The College has a very low level of commercial activities and the reduction of these has been factored into its budgets for 2021/22.

The College has accumulated reserves of £0.283 million (after pension fund deficit of £7.895 million) and cash balances of £1.585 million. The College aims to make surpluses before FRS 102 S28 costs of at least 0.5% of income.

The College's revenue reserves are now £3.127 million negative, entirely due to the £7.895 million pension deficit, a rise of £2.6 million in the year. Benchmarking work indicates that the discount rate and female life expectancy are very high in the valuation used, combined with the impact of COVID-19 this has pushed the deficit to the highest level ever. Despite this the formal scheme valuations have consistently shown the College's deficit close to £1 million and whilst this may worsen at the next valuation it is extremely unlikely to be greater than the College's revenue reserves. The College remains operationally solvent and anticipates no issues with continuing to successfully deliver education to its students.

Tangible fixed asset additions during the year amounted to £685,000. The additions were primarily a new Access and CCTV system, replacing out of date and failing systems.

The College places significant reliance on the education sector funding body for its principal funding source, largely from recurrent grants. In 2020/21 the funding body provided 95% of the College's total income.

The College recruited 1,794 students in the summer of 2020, slightly lower than predicted. This reflects the College's improved academic success rate as well as its emphasis on providing its students with the skills to succeed in life. Recruitment of students in 2021 is under target due to lower outreach activities that were possible in the pandemic conditions.

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COVID-19

The College was in the position that over 99% of its funding was guaranteed in 2020/21. Additional funds were obtained from the Greater London Authority to pay for physical works to make the College COVID-19 safer and IT equipment. The College also received funds for running a test centre in the spring term. As the capacity was needed to test all staff and students but funding was based on the number of tests, there was a deficit on this operation.

The College remains strongly placed, and forecast, to return to having an operating surplus in 2021/22 with its continuing record of cost control and its reputation consistently improving. The deficit (before FRS 102(28) costs in 2020/21 was £59,000 better than budgeted, despite additional COVID-19 costs.

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.

Short-term borrowing for temporary cash management purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and complies with the requirements of the Financial Memorandum.

The College has no debt in place and no plans to borrow as of this time.

Cash flows

At £1,079,000 inflow (2019/20 £316,000 outflow), operating cash flow was in line with expectations. The net cash flow was an inflow of £395,000. The swing was due to particular circumstances in 2019/20 where significant work was carried out to convert a building for Accelerated Learning Provision and changes to the College to make it medically safer, but the grant funding not received until 2020/21.

The College's reliance on 16-19 year old funding means that income has not been materially adversely affected by the COVID-19 crisis. The deficit on running the test centre was approximately £15,000.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2020 to 31 July 2021, the College has aimed to pay all of its undisputed invoices within 30 days. Over 99.6% of all invoices (by value) were paid within 30 days, those that weren't were due to billing errors by the supplier. The College incurred no interest charges in 2020/21.

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Reserves

The College has a formal Reserves Policy. The College forecasts its financial performance for two years in advance every year as part of its planning process. The College currently holds £69,000 of restricted reserves. As at the Balance Sheet date the Income and Expenditure account deficit stood at £3,127,000 (2020: deficit £2,688,000). As noted above the deficit is entirely due to the rise in the pension fund deficit and does not affect the College's operational position.

The College has accumulated reserves of £8.178 million (£0.283 million after deduction of the pension fund deficit of £7.895 million) and cash balances of £1.585 million. The College aims to make surpluses before FRS 102 S28 pension adjustments.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2020/21 the College has delivered activity that has produced £10,246,249 in funding body main allocation funding (2019/20 – £8,679,0258). The College had 1,794 funding body funded students.

The number of student enrolments fell in 2020/21. The College believes that its new ethos and reputation for quality are now known to potential students and that managed growth will continue.

Student achievements

Achievement rates were 89.4% in 2020/21. The methodology for awarding results in the midst of the pandemic renders year on year comparisons complex, however the rate was 89.3% in 2019/20.

College Management

David Vasse took up the post of Principal from 1st September 2016. The first strategic plan of this era was successfully fulfilled a year early. Despite the COVID 19 pandemic impressive strides in performance and achievement continue to be made.

The College management and the Corporation are certain that they will continue to improve following its recent excellent Ofsted outcome.

Ofsted

The College was inspected in November 2021. The overall conclusion was that the College was GOOD.

Some points that were made by the inspectors included:

Quality of Education

- Teachers assess effectively at the start of programmes and consequently programmes are well-tailored to meet students' needs.
- Leaders and managers plan and sequence the curriculum logically from students' starting points, helping them to improve their progress over time.
- Teachers use well-paced learning activities to ensure students are focused and complete their learning tasks, sticking to timings.
- Teachers are well qualified and use their specialist subject skills well to help students gain new knowledge.

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- Leaders, teachers and staff offer very effective support for learners. Students find the staff approachable and welcome the support.
- Teachers use high quality learning resources to help students make progress in and out of lessons.
- Students work well in the Learning Resources Centre. The environment for study is focused and productive, meaning that students develop their independent learning skills very well.
- A high proportion of students go on to positive destinations, with more students going to a Higher Education and an increasing proportion going on to Russell Group universities.
- A very high proportion of students on Level 3 vocational programmes make good progress and achieve their qualifications.
- Students benefit from ALS support that helps them to progress and achieve at the same rate as their peers.
- Students on Free College Meals achieve at a rate that is above the cohort average.

Behaviour and Attitudes

- Students benefit from the safe and industrious environment at college. The atmosphere is calm and studious both inside lessons and around the site. Therefore, students are respectful and study productively.
- Staff set high expectations for behaviour. They are supportive yet strict and uphold the college rules consistently. This applies to all staff whether they are leaders, teachers or in any role at the college.
- Students are courteous, motivated and positive. They are ready to learn, have well-maintained folders and take pride in showing their work.
- Behaviour for learning is well developed through the Monoux Teacher framework, and through reflective learning practices such as Progress Trackers.
- Students are very safe and have a well-developed understanding of how to keep themselves safe from a range of potential harms.
- Students appreciate the way that security staff, teachers and leaders are always visible on site, helping to keep the site safe.
- Female students in particular love the Personal Mentors who are always on hand to help them with their mental and physical wellbeing.
- Students are clearly able to articulate their good understanding of sexual harassment. They know how to report any instances of this and they thoroughly understand consent and healthy relationships.
- High Needs students attend well in comparison with their peers.
- Students are punctual to lessons. The entry period motivates them to attend on time and gives a smooth start to the day, with much reduced disruption.
- The regular and timely contact home helps students to improve their attendance and work submission.

Personal Development

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- Leaders and managers have devised a broader curriculum that allows students to develop their skills and confidence.
- There are a range of opportunities offered through Talent Lab that allow students to follow their interests and this encourages them to take ownership of their personal development, making choices and plans for their progression
- Leaders and managers have planned work experience for all Level 3 vocational students, and students know what to expect and how this fits with their programme.
- Employers praise the college and staff for their responsiveness and reliability, and for how well the students are prepared for work experience.
- Curriculum and support staff work well together to develop students' wider employability skills. Teams plan work experience jointly so that the employability curriculum is matched carefully to students' plans interests and needs. Work-related projects in the curriculum develop employability skills well.
- The IAG work to help students to plan their next steps is particularly effective and students appreciate the guidance from well-qualified staff, learning about apprenticeships as well as Higher Education.
- Managers and teachers work to help students to build confidence and resilience. Students reflect on their progress through the Monoux Passport.
- The personal development curriculum includes issues relating to British Values, sexual health and keeping safe from radicalisation. The curriculum is linked well to students' real lives and is made interesting and relevant. Consequently, students can speak confidently on these topics.
- Teachers use their knowledge well to embed the personal development curriculum wherever it arises.
- Students know how to keep themselves safe and know how to report anything that they need to.
- Mentors support students well. All students know who their Personal Mentors are and really value their support.
- Subject teachers work with students to help them effectively manage stress, for example where in mathematics they cover the topic of maths anxiety right from the start.
- Staff promote physical health through assemblies, the banning of fast food on campus, and through Sports activities and the college gym.
- Staff promote equality and diversity and demonstrate this in everything that they do, and therefore students also promote equality and diversity.
- There are a variety of opportunities for students to become actively engaged as citizens. For example, through joining the student leadership team, volunteering at food banks or through programmes such as Shout Out UK.

High Needs

- Students with High Needs receive a good quality of education overall.
- High Needs students study appropriate programmes with adjustments made as necessary, for example where a student needed additional time to complete their programme they were given an additional year and in the end received a Distinction* grade.
- Students feel well-supported, and the support in place helps them to make good progress.
- Parents of High Needs students feel well supported and are very positive about the college and the progress the students are making.
- High Needs students and their parents value the opportunity they get to visit the college before they take up their place, helping for them to feel comfortable at college.

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- Students make progress with their social skills whilst at college.
- High Needs students attend well and achieve at a similar rate to their peers. Most of them stay on their programme and achieve, and consequently they move on to positive destinations.
- Leaders and managers have a good understanding of students' needs and put the right support in place, reducing or increasing the support as necessary to help the students make good progress and work as independently as possible.
- Students feel safe and know how to keep themselves safe. They know what to do to keep themselves safe online and how to block unwelcome contact. They understand healthy relationships and how to identify toxic relationships.

Leadership and management

- Leaders develop every day the high expectations that permeate from the very top right through to every member of staff, and students respond really well. For example, the Reach Up programme shows how the most hard to reach students are supported and given a lifeline.
- Leaders demonstrate the capacity to improve and this is demonstrated by all the improvements that have been made since the last inspection.
- Leaders drive change through professional development, with well qualified and trained staff coaching and engaging in regular reflective training. The way that professional development, appraisal targets and coaching link together is a real strength.
- Leaders have invested in leadership and the middle leadership is now a real strength. The training and promotion of middle leaders has meant that they are driving through positive changes and have the vision and skills to do so.
- Quality assurance mechanisms are broad and appropriate, picking up and responding to issues quickly.
- Staff feel well led and managed. They are happy. Leaders support the staff well and help to manage workload through encouraging co-planning. Staff work well together, and help each other.
- Governors understand their role well. They know the strengths and weaknesses of the college, and know about future opportunities and threats.
- Governors understand their responsibilities as far as safeguarding is concerned. However, governors can do more to understand what is best practice in safeguarding, particularly as regards the most recent changes.
- Safeguarding is effective. There has been a significant investment in staffing in this area.
- There are appropriate measures in place to keep students safe online, and students are taught how to keep themselves safe.
- Leaders can explain how students are protected from radicalisation through PREVENT. Leaders know their students well and take appropriate actions to support students, working well with specialists where necessary. Appropriate actions are taken to keep students safe.
- There are clear processes in place for safer recruitment.
- Leaders have taken action to engage students on the issues of sexual harassment and violence, and they have generated student buy-in on these issues. This is best practice. Leaders and staff record all instances of sexual harassment and take appropriate actions. Leaders know about what to do in cases of sexual harassment and would approach staff if they had any worries.

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Curriculum developments

- Talent Lab as a strategy to structure study and personal development has continued throughout the year despite social distancing, lockdown, remote learning and changes to the calendar for the purposes of centre assessment. Talent Lab has been predominantly a vehicle to increase the level of independent supervised study but from June 2021 onwards it also included its normal menu of activities and assemblies. From next September, Talent Lab will be fully re-established across the week.
- A full programme of Passport Days and Next Steps activities ran in May – June 2021.
- In the December 2020 survey, a high proportion of students (93%) agreed that they were encouraged to work hard outside of lessons.
- Catch Up was effectively embedded as daily practice during 2020-21. The number of students studying at college beyond scheduled lesson finish times and on Saturdays has increased significantly.
- 76% of students have been scheduled for Catch Up on at least one occasion in the year, as a result of missing a deadline or lesson. In total, there have been close to 8,000 instances of students being scheduled for Catch Up.
- As Talent Lab resumes fully in 2021-22, alongside a full induction programme, we will target a reduction in the proportion of students failing to meet deadlines.
- Additional workshops for English and maths are provided good support alongside timetabled lessons, including during lockdown. In the November exam resit 4+ high grades were in line with the previous year in spite of the cohort for resit GCSE being less proficient than last year (as a result of KS4 grade inflation in 19/20) and despite the significant disruption to learning caused by the pandemic. There were 2,150 attendees to workshops during 2020-21.
- Gifted and Talented Book Clubs were established in November and all students are scheduled to complete and discuss their first novel in January. Subsequently, students have continued to select novels from a set list of 60 and have contributed to a curated book display.
- Work experience has been severely affected by the pandemic but links and activities have continued, including through the emergence of innovative virtual work experience opportunities, giving rise for optimism that activity will recover in 2021-22.
- Learning Walks suggest that this “readiness to learn” is on track. The December 2020 student survey places us in the top quartile against other colleges for our survey statement: ‘my teachers always challenge me to do my best.’
- Teaching and Learning Network (TLN) sessions have taken place routinely during the academic year with a focus on improvement in the areas assessed through Learning Walks. Attendance has been maintained throughout the year, enabling the college to respond rapidly to changing demands e.g. remote learning and teacher assessment.

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- T Level planning has started with adaptations to curriculum management roles, an internal conference on strategic options and, through the Curriculum Senior Leadership Team team, a decision-making process regarding T Level pathways.
- Despite the challenges of starting to run the Borough's provision for newly arrived children in Year 11 during the pandemic, the college has ensured that safeguarding practices are appropriate, that students receive good progression guidance and are appropriately organised by academic level.
- Modest improvements to catering provision in the year (including the provision of 100 Free Healthy Meals a day on a first come, first served basis), including providing meals to take home for Islamic students during Ramadan. A more significant step forwards has come in September 2021 with the implementation of a wholly healthy eating menu in the canteen for all staff and students, along with the banning of fast food from the site.

Continuing to adapt to the pandemic at Sir George Monoux College

Over the last few years, everyone has worked hard at Sir George Monoux College to develop a culture which prioritises hard work and determination twinned with a strong awareness of our bonds as a community, and the responsibilities and benefits we are afforded thereby. The College reopened in line with government guidelines for the 2020/21 academic year. All students had an online learning week in term one to ensure they would be prepared in the event of further lockdowns. Students who were ill or isolating were able to join in classes online.

The period just before Christmas 2020 was extremely difficult as COVID-19 cases and isolating staff and students made teaching and learning very challenging. The post-Christmas lockdown was still challenging, but the successful strategies and systems put in place during the 2020 lockdown, along with the additional IT resources that the College had obtained for students so all were able to access online lessons, meant that the closure period was handled even better.

As well as online lessons students were contacted weekly with a focus on checking on well-being, discussing engagement and attendance with online learning and picking up any issues/concerns.

All online safeguarding processes remained in place and eSafe software on student devices also assisted in picking up issues of concern.

The continued provision of 16-19 Tuition funding from the ESFA means that support can be given to those students who need following a long period of academic disruption.

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Future developments

The College funding income for 2021/22 has been set at £9.938 million from the ESFA.

Our campus

The Strategic Plan for 2019-22 did not include any major refurbishment or building works. Beyond this period redevelopment will be dependent on student numbers and funding availability.

Nevertheless, the college does have the ambition to improve its facilities as well as maintaining existing accommodation. In order to continue the College's development the Governing Body and Senior Management are considering options for the future.

Curriculum

- The College reopened in a normal manner for 2021/22.
- The College has invested in screens for areas where students need to meet staff face to face (such as reception and security) as well as in classrooms where desks cannot be changed to all facing the same direction.
- Every classroom and office has been fitted with a hand sanitizer station. Students and staff will do this on entry and exit
- Classrooms have been reconfigured with individual desks, all pointing in the same direction.
- Classroom doors and windows will remain open wherever possible to increase airflow.
- Strict cleaning and sanitizing regimes have been remain in place.
- The College has maintained its increased staffing levels of personal mentors and progress coaches to assist with students with catching up on missed learning.
- An additional counsellor has been retained for 2021/22 to help students with the mental health issues arising from the pandemic.
- The College continues to extend opening hours for self-study and introduce Saturday catch up sessions.
- Bursary funds will continue to be used to ensure that those students have access to IT resources.
- Online/ in person training in safeguarding and GDPR will continue to be carried out.

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- Following a highly successful second year the College is continuing its TalentLab provision. It will be scheduled throughout the day, rather than in one slot, which will assist with social distancing.
- The Monoux Teacher online was launched at the end of the 18/19 academic year and was fully in use in 2019/20 under trying circumstances. It will continue in 2021/22. Our Curriculum for Expertise strategy (the Monoux Teacher framework) sets high expectations and is designed with the particular needs of our students in mind. We plan for frequent low stakes testing for lasting knowledge, ensuring that we break material down and frequently practice for mastery. We give time to learners to respond to feedback, allowing growth, and we develop oracy and encourage students to have pride in their work.
- The College will transform its canteen provision by removing unhealthy food from the menu. A healthy menu has been designed by chefs at the catering company and implemented. Work will also be done with students to educate them on the food choices that they make and how it affects them.



- Work experience remains difficult under pandemic, and post-pandemic, conditions. Early liaison and engagement with brokerage agencies and development of virtual links with employers will be used to ensure students receive the experience that they need.

Resources

The College has 4 buildings set in 17 acres of London; the College has long term plans for the site that include additional building and sports development. These are contingent on funding being secured.

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The College's main resource is its staff. The College invests strongly in training and development to ensure that staff remain up to date and are able to continue improvement.

Financial

The College has £0.283 million of net assets (after £7.895 million pension liability) and has no debt.

Pension Liabilities

The College has fully implemented the provisions of Financial Reporting Standard 102, in particular Section 28 in relation to defined benefit pension schemes. The Corporation remains extremely concerned about the impact of FRS 102 S28 contributions to the Local Government Pension Scheme on the future finances of the College.

With specific reference to the London Borough of Waltham Forest Pension Scheme the Corporation has no control over the management of the fund, its financial arrangements and investment profile. In the Corporation's opinion this needs to be recognised and acknowledged by the Trustees of the fund and resolved by the appointment of at least one of the Waltham Forest Colleges' Corporation's members to the Board of Trustees.

At 31 July 2019 the FRS 102 S28 deficit was £4.88 million. However, the full actuarial valuation of the fund, as at 31 March 2019, showed that the College's share of the deficit had decreased slightly from the last actuarial valuation by £163,000 to £0.918 million. The College's funding level had risen from 80% to 87.6% in that period. Whilst the actuarial and accounting valuations are calculated on differing bases this level of difference materially affects the presentation of the financial statements.

The FRS 102 S28 deficit increased from £7.471 million to £7.895 million at 31 July 2021.

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (the Department in April 2019). The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the

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notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

People

The College employed 158 people (expressed as full time equivalents), 87 of whom are teaching staff.

The College invests heavily in the training and development of its staff, with particular regard to curriculum delivery, safeguarding, health & safety and GDPR.

Reputation

The College has a good reputation locally and across the whole of East London. The College has a history going back nearly 500 years and, more recently, a reputation for promoting excellence in student development.

Principal Risks and Uncertainties

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.

Based on the strategic Plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the 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 level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the College.

Prior to the COVID-19 pandemic the College was comfortable in that all its risk positions were either at acceptable levels, or progressing to that position.

Outlined below are a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Strategic Report

The College remains financially viable

The College places considerable reliance on continued government funding through the ESFA. In 2020/21, 99% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. The Covid-19 pandemic has placed stress on finances, despite increased funding in certain areas.

This risk has been mitigated by:

- Detailed budgeting over a four year period;
- Cost saving strategies;
- Ongoing strategies to differentiate the College's offer and improve student recruitment;
- Aligning temporary income and expenditure, and
- Obtaining funds from other sources.

Student Progress

COVID-19 has meant that students received three month's education online, risk disruption in 2020/21's learning and are subject to the stresses of living and working in a pandemic world.

To date the risk has been mitigated in these ways:

- Staff training;
- Use of Microsoft Teams lessons and training for new staff on its use;
- Increase in the number of progress coaches and learning mentors;
- Plans for Saturday and holiday classes;
- An additional counsellor for a further year;
- Investments in IT hardware in case of further lockdowns, and
- Bursary funds used to provide laptops for students in need.

Stakeholder Relationships

In line with other colleges and with universities, Sir George Monoux College has many stakeholders. These include:

- ◆ Students
- ◆ Funding Councils
- ◆ Staff
- ◆ Local employers (with specific links)
- ◆ Local Authorities
- ◆ Government Offices/ Regional Development Agencies
- ◆ The local community
- ◆ Other FE institutions
- ◆ Trade unions
- ◆ Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site, Microsoft Teams, Zoom and by physical meetings.

Strategic Report

Equal opportunity and employment of disabled persons

The College celebrates and values the diversity brought to its workforce by individuals. It believes that the College will benefit from employing both disabled and non-disabled people at all levels of responsibility, and across all areas of work. This will also provide role models for a variety of students. The College is committed to equality of treatment for all employees regardless of whether they have a physical or mental impairment. This will apply to the operation and implementation of all its employment policies. The College will treat all employees with respect and dignity, and seeks to provide a positive working environment free from disability discrimination, harassment or victimisation.

The College will work towards the elimination of prejudice and discrimination and will seek to ensure that all staff have equal access to the full range of College.

There will be no discrimination against staff on grounds of disability in access to employment, training, working conditions, terms of employment, treatment at work, promotion or dismissal. The College undertakes to fulfil its duty to make reasonable adjustments to enable staff to do their work, and not to treat staff with a disability less favourably than those without.

The Equality Policy is available on the website.

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010, which places a general duty on the College to:

- promote equality of opportunity between disabled persons and other persons
- seek to eliminate discrimination that is unlawful under the Act
- seek to eliminate harassment of disabled persons that is related to their disabilities
- promote positive attitudes towards disabled persons
- encourage participation by disabled persons in public life
- take steps to take account of disabled persons' disabilities, even where that involves treating disabled persons more favourably than other persons.

In particular the College makes the following commitments:

- all improvements to the site recognise the need for compliance with the DDA;
- the admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the Complaints Procedure;
- the College has made a significant investment in Learning Support by the appointment of specialist staff and the provision of dedicated resource areas. There is a continuing programme of staff development to ensure a high level of appropriate support for students who have learning difficulties and/or disabilities, and
- counselling and welfare services are described in the Student Charter and are available to all students.

Trade Union costs

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the college to publish information on facility time arrangements for trade union officials at the college.

Strategic Report

| Total number of employees who were relevant | Full time equivalent employee number |
|---|--------------------------------------|
| 2 | 2 |

| Percentage of employee working hours spent on facility time | Number of employees |
|---|---------------------|
| 0% | |
| 1%-50% | 2 |
| 51%-99% | |
| 100% | |

| Description | Amount |
|--|------------|
| The total cost of employee facility time | £2,914 |
| The total pay bill | £7,755,000 |
| The percentage of the pay bill spent on facility time. | 0.04% |

| Time spent on paid trade union activities as a percentage of total paid facility time hours |
|---|
| 72% |

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 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

Going Concern

After making appropriate enquiries, 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.

Approved by order of the members of the Corporation on 14 December 2021 and signed on its behalf by:



Signed _____

Alastair Owens
Chair

Statement of Corporate Governance and Internal Control

Statement of Corporate Governance and Internal Control

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. The statement covers the period 1st August 2020 to 31st July 2021 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 principals identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability openness, honesty and leadership), and
- ii) having due regard to the UK Corporate Governance Code (“the Code) insofar as it is applicable to the further education sector.

The College is committed to exhibiting the best practice in all aspects of corporate governance and in particular the College/Board has adopted and complied with the Foundation Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon the best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the Foundation Code, and it has complied throughout the year ended 31 July 2021.

The Corporation 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.

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 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

The Corporation

The composition of the Corporation is set out in the table below. It is the Corporation's responsibility to bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

The members who served the Corporation (and its Committees) during the period and up to the date of signature of this report were as follows:

| Name | Status of appointment | Date of appointment | Date of resignation | Term of office | Committees served | Attendance* |
|------------------|-----------------------|---------------------|---------------------|----------------|--------------------------------|-------------|
| Ms T Ahmed | Student | 17.12.19 | 30.11.20 | 1 year | | 100% |
| Mr K Atta | Independent | 13.10.20 | | 4 years | A, | 100% |
| Ms A Betiku | Independent | 13.10.20 | | 4 years | A | 80% |
| Ms R Bhalla | Independent | 2.7.17 | | 5 years | VCh, A(Ch), P | 100% |
| Mr RJ Bhatti | Student | 14.12.19 | 14.9.20 | 1 year | | N/A |
| Mr. J Bush | Independent | 9.12.17 | | 5 years | VCh, R(Ch), P(Ch) | 60% |
| Ms T Chirouf | Independent | 10.10.15 | 13.10.21 | 5 years | A, E | 100% |
| Ms C Evans | Independent | 22.9.18 | 12.7.21 | 4 years | A | 20% |
| Mr. T Foakes | Independent | 7.7.19 | | 5 years | E, N(Ch) | 100% |
| Ms N Jonas | Student | 15.12.20 | 30.11.21 | 1 year | Q | 75% |
| Mr S Jones | Independent | 22.3.16 | | 4 years | N, Q | 100% |
| Ms F Juhera | Staff | 20.3.18 | | 4 years | E | 80% |
| Mr J Kenth | Independent | 2.4.19 | 28.11.21 | 4 years | R,Q | 100% |
| Ms Anisa Khadija | Student | 15.12.20 | 30.11.21 | 1 year | Q | 75% |
| Ms M Lewin | Independent | 22.10.16 | | 4 years | E,P | 100% |
| Mr. S McLean | Independent | 6.7.18 | | 5 years | E (Ch), P | 80% |
| Mr. A Owens | Independent | 6.7.18 | | 5 years | SVCh, Q(Ch), P Ch from 2.11.21 | 100% |
| Ms U Puri Dewage | Parent | 12.11.21 | | 1 year | | N/A |
| Ms N Shah | Staff | 17.12.19 | | 4 years | R | 100% |
| Mr D Vasse | Principal | 8.10.16 | | N/A | R, Q, E | 100% |
| Mr. A Wells OBE | Independent | 2.7.17 | 21.11.21 | 5 years | Ch, N, P, | 100% |
| Ms S Whittaker | Independent | 13.10.20 | | 4 years | E, R | 80% |
| Mr J Wint | Parent | 13.10.20 | 31.7.21 | 1 year | R | 100% |
| Mr R Smith | Clerk | 1.1.11 | | | | |

Key to sub-committees

A = Audit

E = External Relations

N = Governance & Nominations

P = Remuneration

R = Resources

Q= Quality & Performance

Ch= Chair

SVCh = Senior Vice Chair

VCh= Vice Chair

Statement of Corporate Governance and Internal Control

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. In 2020/21 these committees were; Resources; Governance & Nominations; Quality & Performance, Remuneration External Relations and Audit. Full minutes of all meetings are available from the Clerk to the Corporation at:

Sir George Monoux College
190 Chingford Road
Walthamstow
London
E17 5AA

The Clerk to the Corporation maintains a register of financial and personal interests of the Corporation members. The register is available for inspection at the above address.

| Committee | Overall attendance |
|--------------------------|--------------------|
| Audit | 79% |
| External Relations | 86% |
| Governance & Nominations | 93% |
| Quality & Performance | 96% |
| Remuneration | 92% |
| Resources | 83% |

The Corporation is provided with regular and timely information on the overall financial performance of the College, together with other 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 at least once per term.

All governors are able to obtain independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk 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 judgment.

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for consideration of the Corporation as a whole. The Corporation has a Nominations Committee, which in the year ended 31 July 2021, consisted of five members of the Corporation, which is responsible for the selection and nomination of any new member for the

Statement of Corporate Governance and Internal Control

Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not normally exceeding four years and for no more than two terms of office. Due to the COVID-19 crisis and the proximity of the dates of the end of the terms of several senior members of the Corporation it was decided to extend the terms of Ms R Bhalla, Mr J Bush, Mr S McLean, Mr A Owens and Mr A Wells by one year. It was further agreed in 2020/21 that the term of Mr A Wells would be extended in order for the Corporation to find an appropriate individual to chair the Corporation.

Corporation Performance

The Corporation assessed its performance as part of Governor individual appraisal in autumn 2021. Overall, the effectiveness of the Corporation in 2020-21 was assessed as 'good'. The College remains in a strong financial position under the current Principal.

Remuneration Committee

Throughout the year ending 31 July 2021, the Remuneration Committee comprised six members of the Corporation. The Committee's responsibilities were to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post holders. It met twice in the year. Changes to pay and conditions for senior staff were approved by the Chair as a Chair's action.

Details of remuneration for the year ended 31 July 2021 are set out in notes 7 and 8 to the financial statements.

The Corporation is bound to observe the requirements set out in the ESFA Accounts Direction, and other relevant accounting guidance, in relation to reporting senior staff remuneration in the Annual Report and Accounts.

It was noted by the Corporation that adoption of the Colleges' Senior Staff Remuneration Code (hereinafter "the Code") is voluntary.

It was also noted that the Corporation is required to act in accordance with the provisions of the Accounts Direction in reporting senior staff remuneration.

On advice of the Remuneration Committee, the Corporation at its December 2020 meeting agreed that the Code would not be adopted by the Corporation, but it was noted that it had, to some extent, informed the writing of the Corporation's Senior Leadership Team Pay Policy (which also applies to the Clerk to the Corporation). The Senior Leadership Team Pay Policy was duly approved at the said meeting.

There is no agreed definition of the term "Senior Post Holder". In practice, governing bodies may decide which posts they directly oversee (including the determination of salaries). These must include the Principal and the Clerk to the Corporation, since they report directly to the Corporation. Otherwise the remit is discretionary; in the case of the Corporation of Sir George Monoux College, the designation has also been applied to the Vice-Principal posts. All the posts mentioned in this paragraph are hereinafter referred to as "senior staff".

The salaries of senior staff were compared with those applying in comparable institutions by reference to data made available by the Sixth Form Colleges' Association. The data were provided by the Association's members and, although remaining the most reliable source of information to the Corporation, no warrant can be offered that it is in all cases accurate or comprehensive.

Statement of Corporate Governance and Internal Control

In reaching its conclusions about senior staff pay, the Corporation noted that the Senior Leadership Team had been instrumental in effecting significant positive change throughout the College, though without an Ofsted inspection and with the incidence of unusual assessment arrangements under the public health emergency, the degree of improvement remains, of necessity, a matter of internal assessment only.

In determining the salaries of the senior staff consideration was taken of the responsibilities of the posts and, in one instance, how these had changed. Non-consolidated payments were also made in two instances to recognise exceptional performance.

All post holders received the cost-of-living increase negotiated for all staff by the Sixth Form Colleges' Association and employee representatives, which was payable from 1 September 2020 or 1 October 2020.

Audit Committee

The Audit Committee comprises five members of the Corporation (excluding the Principal and Chair) Ms R Bhalla, Ms T Chirouf, Ms C Evans, Mr K Atta and Mr J Kenth. 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 financial statement 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, risk management controls and governance processes 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 the agreed audit recommendations, and the internal auditor 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 financial statement auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

The audit committee met four times in the year to 31 July 2021. The members of the committee and their attendance records at the four meetings are shown below:

| Committee member | Meetings attended |
|------------------|-------------------|
| Ms R Bhalla | 4 |
| Mr K Atta | 3 |
| Mr A Betiku | 3 (out of 3) |
| Ms T Chirouf | 3 |
| Ms C Evans | 2 |

Statement of Corporate Governance and Internal Control

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, 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 responsibility assigned to him in the Financial Memorandum between the College and 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 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 Sir George Monoux College for the year ended 31 July 2020 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 ended 31 July 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

The Risk and Control Framework

The system of internal financial 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 Corporation;
- ◆ regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecast;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined capital investment control guidelines, and
- ◆ the adoption of formal project management disciplines where appropriate

Statement of Corporate Governance and Internal Control

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 of the College on the recommendation of the Audit Committee. At minimum annually, the Head of Internal Audit (HIA) provides the Corporation with a report on internal audit activity within the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management controls and governance processes.

COVID-19

Meetings of the College governing body and its sub-committees, have been moved to Zoom or Microsoft Teams where necessary. This is to ensure that meetings can go ahead without exposing its members to undue risks.

This will remain under review.

Risks faced by the Corporation

No significant internal control weaknesses were identified in the year.

Responsibilities under funding agreement

The Corporation has delivered a greater level of 16-19 activity than the College was funded for.

Statement from the Audit Committee

The Committee continued to take the view that it is essential to retain an internal audit service with a schedule of work approved on an annual basis by the Corporation so that:

- the Corporation might receive assurances compatible with the exercise of proper governance, thereby enabling it to sign the annual Statement of Corporate and Internal Control;
- the Financial Statements Auditor might rely on work carried out by the internal audit service in arriving at an opinion on the annual financial statements; and
- areas and activities perceived as risks to the achievement of the College mission might be independently examined and reported on.

| Review area | Assurance level | High | Medium | Low | Advisory |
|--|-----------------|------|--------|-----|----------|
| Student Participation, Progress & Retention | Strong | 0 | 0 | 0 | 0 |
| Governance Recruitment & Succession Planning | N/A | 0 | 0 | 0 | 5 |
| Student Recruitment | Significant | 0 | 0 | 2 | 1 |
| IT Infrastructure & Cybersecurity | Significant | 0 | 1 | 2 | 0 |
| Human Resources – Safer Recruitment | Reasonable | 0 | 2 | 0 | 0 |

Statement of Corporate Governance and Internal Control

COVID-19 delayed two internal audits to later in the year than was originally anticipated. However all the reviews that were planned were carried out.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal'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 and the appointed funding auditors in their management letters and other reports.

The Principal has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor, risk committee and other sources of assurance, and 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 their 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 the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and internal audit, including a review of the key risks to the college and a review of the risk management process, and taking account of events since 31 July 2021.

Based on the advice of the Audit Committee and the Principal, 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 14th December 2021 and signed on its behalf by:



Signed _____
Date 14 December 2021
Chair



Signed _____
Date 14 December 2021
Principal and Accounting Officer

Corporation's Statement of the College's Regularity, propriety and compliance with Funding body terms and conditions of funding

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the college's funding agreement. As part of its consideration the Corporation has due regard to the requirements of the funding agreement and contracts with the ESFA.

We confirm, on behalf of the Corporation, and that to the best of its knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's funding agreement.

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



Signed _____
Date 14 December 2021
Chair



Signed _____
Date 14 December 2021
Principal and Accounting Officer

Statement of the Responsibilities of the Members of the Corporation

Statement of the Responsibilities of the Members of the Corporation

The members of the Corporation of the College, as charity trustees, are required to present audited financial statements for each financial year.

Within the terms and conditions of the college's grant funding agreements and contracts with ESFA, the corporation – through its accounting officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the college and its surplus / deficit of income over expenditure for that period.

In preparing the financial statements, the Corporation is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable 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
- ◆ prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Corporation is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including 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 College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation including the Further and Higher Education Act 1992 and the Charities Act 2011, and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of the college's website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the 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 expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA are used only in accordance with the ESFA's grant funding agreement and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder.

Statement of the Responsibilities of the Members of the Corporation

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 economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA are not put at risk.

Approved by order of the members of the Corporation on the 14 December 2021 and signed on its behalf by:



Signed _____

Date: 14 December 2021

Chair

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College for the Year ended 31 July 2021

Opinion

We have audited the financial statements of the Corporation of Sir George Monoux College (the 'College') for the year ended 31 July 2021 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of its deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education.

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 College 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 Corporation's 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 College'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Corporation is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College for the Year ended 31 July 2021

apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 in relation to which the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the 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.

Responsibilities of the Corporation of Sir George Monoux College

As explained more fully in the Statement of Corporation Responsibilities on pages 31-32, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of Corporation staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College for the Year ended 31 July 2021

- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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. This description forms part of our auditor's report.

Use of our report

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 22 December 2021

Reporting Accountants' Assurance Report On Regularity for the Year Ended 31 July 2021

To: The Corporation of Sir George Monoux College and the Secretary of State for Education acting through the Department of Education ("The Department").

requirements and conditions of funding in the 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 that in all material respects the expenditure disbursed and income received by the Corporation of Sir George Monoux College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice ("the Code") issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) data returns, for which the ESFA has other assurance arrangements in place.

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

Respective responsibilities of the Corporation of Sir George Monoux College and the reporting accountant

The Corporation of Sir George Monoux 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, are 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 2020 to 31 July 2021 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 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.

Reporting Accountants' Assurance Report On Regularity for the Year Ended 31 July 2021

Reporting accountant's assurance report on regularity (continued)

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.

The work undertaken to draw to our conclusion includes:

- An assessment of material irregularity and impropriety across all of the College's activities;
- Further testing and review of self-assessment questionnaire including inquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary;
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion; and
- Consideration of any matters of potential irregularity or fraud identified either by management, governors or other advisers and assessment of the existence of any material irregularity.

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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 22 December 2021

Statements of Comprehensive Income and Expenditure

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|---------------|----------------|
| INCOME | | | |
| Funding Body Grants | 2 | 10,540 | 9,332 |
| Tuition Fees and Education Contracts | 3 | 453 | 1 |
| Other Grants and Contracts | 4 | 252 | 56 |
| Other Income | 5 | 176 | 115 |
| Investment Income | 6 | 0 | 4 |
| Total Income | | 11,421 | 9,508 |
| EXPENDITURE | | | |
| Staff Costs | 7 | 8,296 | 6,907 |
| Other Operating Expenses | 9 | 3,155 | 2,648 |
| Interest Payable | 10 | 133 | 122 |
| Depreciation | 11 | 535 | 538 |
| Total Expenditure | | 12,119 | 10,215 |
| Loss on Disposal of Assets | | 45 | 0 |
| (Deficit) Before Other Gains and Losses | | (744) | (707) |
| Gain on Investments | | 10 | 0 |
| (Deficit) for the Year | | (734) | (707) |
| Actuarial Gain/(loss) in Respect of the Pension Scheme | | 250 | (2,126) |
| | | (484) | (2,833) |
| Represented by: | | | |
| Restricted Comprehensive Income | | 10 | 0 |
| Unrestricted Comprehensive Income | | (494) | (2,833) |
| | | (484) | (2,833) |

The notes on pages 42-65 form part of the Financial Statements.

Statement of Change in Reserves

| | Income and Expenditure Account | Revaluation Reserve | Restricted Reserves | Total |
|---|--------------------------------------|------------------------|------------------------|------------|
| | £'000 | £'000 | £'000 | £'000 |
| Balance at 1st August 2020 | (2,688) | 3,396 | 59 | 767 |
| (Deficit) from the Income and Expenditure Account | (744) | | | (70) |
| Other Comprehensive Income | 250 | | 10 | 260 |
| Transfers Between Revaluation and Income and Expenditure Reserves | 55 | (55) | | 0 |
| Total Comprehensive Income for the Year | (439) | (55) | 10 | (484) |
| Balance at 31st July 2021 | (3,127) | 3,341 | 69 | 283 |

The notes on pages 42-65 form part of the Financial Statements.

Balance Sheets as at 31 July 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|---------------|---------------|
| Non Current Assets | | | |
| Tangible Fixed Assets | 11 | 9,812 | 9,707 |
| Investments | 12 | 69 | 59 |
| | | 9,881 | 9,766 |
| Current Assets | | | |
| Trade and Other Receivables | 13 | 121 | 271 |
| Cash and Cash Equivalents | 19 | 1,585 | 1,190 |
| | | 1,706 | 1,461 |
| Creditors – Amounts falling due within One Year | 14 | (1,231) | (696) |
| Net Current Assets | | 474 | 765 |
| Total Assets less Current Liabilities | | | |
| Creditors – Amounts falling due after more than One Year | 15 | (2,177) | (2,293) |
| Net assets excluding Pension Liability | | 8,178 | 8,238 |
| Pension Liability | | (7,895) | (7,471) |
| Net Assets | | 283 | 767 |
| Revaluation Reserve | | 3,341 | 3,396 |
| Income and Expenditure Account | | (3,127) | (2,688) |
| Total Unrestricted Reserves | | 214 | 708 |
| Restricted reserve – Rothery Bequest | 22 | 69 | 59 |
| Total Reserves | | 283 | 767 |

The financial statements on pages 38 to 65 were approved and authorised for issue by the Corporation on 14 December 2021 and were signed on its behalf on that date by:



Chair of the Corporation



Principal

The notes on pages 42-65 form part of the Financial Statements.

Statement of Cash Flows for the Year Ended 31 July 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|---------------------|---------------------|
| | | <u> </u> | <u> </u> |
| Cash flow from operating activities | | | |
| (Deficit) for the Year | | (744) | (707) |
| Adjustment for non-cash items | | | |
| Depreciation | 11 | 535 | 539 |
| Decrease/ (Increase) in debtors | 13 | 150 | (165) |
| Increase/ (Decrease) in creditors due within one year | 14 | 535 | (323) |
| (Decrease) in creditors due after one year | 15 | (116) | (125) |
| Pensions: costs less contributions payable | 7 | 541 | 348 |
| Adjustment for investing or financing activities | | | |
| Investment income | 6 | 0 | (4) |
| Interest payable | 10 | 133 | 122 |
| Loss on Disposal of Fixed Assets | | 45 | |
| Net cash flow from operating activities | | <u>1,079</u> | <u>(316)</u> |
| Cash flows from investing activities | | | |
| Investment income | 6 | 0 | 4 |
| Payments made to acquire fixed assets | 11 | (685) | (318) |
| | | <u>(685)</u> | <u>(314)</u> |
| Cash flows from financing activities | | | |
| Interest paid | 10 | 0 | (5) |
| Repayments of amounts borrowed | 17 | 0 | (149) |
| | | <u>0</u> | <u>(154)</u> |
| Increase in cash and cash equivalents in the year | | <u>395</u> | <u>(784)</u> |
| Cash and cash equivalents at beginning of the year | | 1,190 | 1,974 |
| Cash and cash equivalents at end of the year | | 1,585 | 1,190 |

As the College does not have any debt an analysis of net debt has not been produced.

The notes on pages 42-65 form part of the Financial Statements.

Notes to the Financial Statements

Statement of accounting policies

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 2020 to 2021 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 modified by the revaluation of certain fixed 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 Members Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College currently repaid its only loan in 2019/20. The College's forecasts and financial projections indicate that it will be able to operate without debt in the future. Under current funding regulations over 97% of the College's income is guaranteed year in advance.

Accordingly the College has a reasonable expectation, that despite COVID-19, that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue Grant Funding

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. 16-18 learner responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

Notes to the Financial Statements

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-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being 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.

Agency arrangements

The college acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. 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 the transaction.

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.

Termination Benefits

Termination benefits, including redundancy payments are recognised when the college has the obligation to pay the benefits and they can be reliably measured.

Accounting for post-employment benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the London Borough of Waltham Forest Pension Fund (LBWFPF). These are defined benefit schemes 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.

The London Borough of Waltham Forest Local Government Pension Scheme (LBWFLGPS)

The LBWFLGPS is a funded scheme. The assets of the LBWFLGPS are measured using closing fair values. LBWFLGPS 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 and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged

Notes to the Financial Statements

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.

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 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Land and buildings

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 College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 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 income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings. On adoption of the FRS 15, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment.

Notes to the Financial Statements

Equipment

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Equipment costing more than £3,000 is capitalised at cost. Equipment is depreciated on a straight-line basis over its expected life is between 3 and 8 years. Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy; the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful life of the related equipment.

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 meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of assets life beyond that conferred by repairs and maintenance

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

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 August 2014 are spread over the minimum lease term.

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

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.

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 Chapter 3 Part 11 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 exempt in respect of Value Added Tax, so that it cannot recover VAT on 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.

Notes to the Financial Statements

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.

Provisions

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.

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 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.

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. 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.

Notes to the Financial Statements

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements

2 Funding Body Grants

| | 2021 | 2020 |
|--|---------------|--------------|
| | £'000 | £'000 |
| Recurrent grants | | |
| Education and Skills Funding Agency – 16 -18 | 10,047 | 8,940 |
| Releases of Deferred Capital Grants | 123 | 131 |
| 16-19 Tuition Fund | 144 | 0 |
| COVID-19 Test Centre | 27 | 0 |
| Teachers' Pension Grant Relief | 186 | 167 |
| Greater London Authority | 0 | 79 |
| Other | 13 | 15 |
| Total | 10,540 | 9,332 |

3 Tuition Fees and Education Contracts

| | 2021 | 2020 |
|---------------------------|------------|----------|
| | £'000 | £'000 |
| Local Authority | 451 | 0 |
| Other Education Contracts | 2 | 1 |
| Total | 453 | 1 |

Notes to the Financial Statements

4 Other Grants and Contracts

| | 2021 | 2020 |
|--------------------------|------------|-----------|
| | £'000 | £'000 |
| Sport England | 52 | 46 |
| Greater London Authority | 200 | 0 |
| Other | 0 | 10 |
| Total | 252 | 56 |

5 Other income

| | 2021 | 2020 |
|------------------------|------------|------------|
| | £'000 | £'000 |
| Lettings | 0 | 22 |
| Exam retake fees | 1 | 3 |
| Photocopying charges | 11 | 16 |
| DFE Computer donations | 128 | 0 |
| Other | 37 | 74 |
| Total | 176 | 115 |

6 Investment Income

| | 2021 | 2020 |
|---------------------------|----------|----------|
| | £'000 | £'000 |
| Other interest receivable | 0 | 4 |
| Total | 0 | 4 |

Notes to the Financial Statements

7 Staff Costs

The average number of persons (including key management personnel) employed by the College during the year, described as full-time equivalents, was:

| | 2021 | 2020 |
|--------------------|-------------|-------------|
| | No. | No. |
| Teaching staff | 105 | 83 |
| Non-teaching staff | 82 | 71 |
| | 187 | 155 |

Staff costs for the above persons

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 5,974 | 4,867 |
| Social security costs | 560 | 511 |
| Other pension costs (including FRS 102 S28 adjustments of £541,000- 2020 £348,000) | 1,521 | 1,133 |
| | 8,054 | 6,511 |
| Contracted staff | 242 | 396 |
| | 8,296 | 6,907 |
| Restructuring costs - Contractual | 32 | 0 |
| - Non contractual | 5 | 0 |
| | 37 | 0 |

Restructuring costs were contractual and set by senior management. They were approved by the Governing Body.

8 Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which comprises the Principal, Vice Principals and members of the Corporation (who are not remunerated).

The number of senior post-holders and other staff who received annual emoluments, excluding pension contributions and employers' national insurance but including benefits in kind, in the following ranges was:

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

| | 2021 | 2020 |
|--|-------------|-------------|
| | No. | No. |
| The number of key management personnel including the Accounting Officer was: | 4 | 4 |

Notes to the Financial Statements

The number of key management personnel and other staff who received annual emoluments excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was;

| | Key management personnel | | Other staff | |
|---------------------------|--------------------------|-------------|-------------|-------------|
| | 1 No. | 2020 No. | 2021 No. | 2020 No. |
| £nil to £5,000 p.a. | | | | |
| £5,001 to £10,000 p.a. | | | | |
| £10,001 to £15,000 p.a. | | | | |
| £15,001 to £20,000 p.a. | | | | |
| £20,001 to £25,000 p.a. | | | | |
| £25,001 to £30,000 p.a. | | | | |
| £30,001 to £35,000 p.a. | | | | |
| £35,001 to £40,000 p.a. | | | | |
| £40,001 to £45,000 p.a. | | | | |
| £45,001 to £50,000 p.a. | | | | |
| £50,001 to £55,000 p.a. | | | | |
| £55,001 to £60,000 p.a. | | | | 3 |
| £60,001 to £65,000 p.a. | | | 2 | |
| £65,001 to £70,000 p.a. | | | 1 | |
| £70,001 to £75,000 p.a. | | | | |
| £75,001 to £80,000 p.a. | 1 | 1 | | |
| £80,001 to £85,000 p.a. | 1 | 1 | | |
| £85,001 to £90,000 p.a. | 1 | | | |
| £90,001 to £95,000 p.a. | | 1 | | |
| £95,001 to £100,000 p.a. | | | | |
| £100,001 to £105,000 p.a. | | | | |
| £105,001 to £110,000 p.a. | | | | |
| £110,001 to £115,000 p.a. | | | | |
| £115,001 to £120,000 p.a. | | | | |
| £120,001 to £125,000 p.a. | | | | |
| £125,001 to £130,000 p.a. | | | | |
| £135,001 to £140,000 p.a. | 1 | 1 | | |
| | <u>4</u> | <u>4</u> | <u>3</u> | <u>3</u> |

Cost of living pay rises of 3.25%, phased across the year was paid to all staff (the cost in year was 2.42%). The College is part of the collective negotiations carried out by the Sixth Form College Association.

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

Notes to the Financial Statements

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. Key management personnel compensation is made up as follows:

| | 2021 | 2020 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Salaries | 388,337 | 388,011 |
| Pension contributions | 76,151 | 74,183 |
| Employers National Insurance | 48,731 | 48,754 |
| | 513,219 | 510,948 |

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above emoluments include amounts payable to the Principal/ Accounting Officer (who is also the highest paid senior post-holder) of:

| | 2021 | 2020 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Salary | 135,086 | 137,549 |
| Pension contributions | 31,988 | 31,800 |

The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Teachers Superannuation Scheme or the Local Government Pension Scheme and are paid at the same rate as for other employees.

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

The Corporation is bound to observe the requirements set out in the ESFA Accounts Direction, and other relevant accounting guidance, in relation to reporting senior staff remuneration in the Annual Report and Accounts.

Compliance with the Colleges' Senior Staff Remuneration Code (hereinafter "the Code") is voluntary. The Corporation is required to act in accordance with the provisions of the Accounts Direction in reporting senior staff remuneration.

On advice of the Remuneration Committee, the Corporation at its December 2020 meeting agreed that the Code would not be adopted by the Corporation, but it was noted that it had, to some extent, informed the writing of the Corporation's Senior Leadership Team Pay Policy (which also applies to the Clerk to the Corporation). The Senior Leadership Team Pay Policy was duly approved at the said meeting.

The salaries of senior staff were compared with those applying in comparable institutions by reference to data made available by the Sixth Form Colleges' Association. The data were provided by the Association's members and, although remaining the most reliable source of information to the Corporation, no warrant can be offered that it is in all cases accurate or comprehensive.

Notes to the Financial Statements

In reaching its conclusions about senior staff pay, the Corporation noted that the Senior Leadership Team had been instrumental in effecting significant positive change throughout the College, though without an Ofsted inspection and with the incidence of unusual assessment arrangements under the public health emergency, the degree of improvement remains, of necessity, a matter of internal assessment only.

In determining the salaries of the senior staff consideration was taken of the responsibilities of the posts and, in one instance, how these had changed. Non-consolidated payments were also made in two instances to recognise exceptional performance.

Senior post-holder salaries will continue to be subject to review each year.

Senior post-holders, including the Principal and other higher paid staff, received a 3.25% cost of living pay rise phased across the year. These are the same rises that applied to all staff.

Relationship of the Principal's pay remuneration expressed as a multiple of the median of all staff:

| | 2021 | 2020 |
|---|-------------|-------------|
| Principal's salary as a multiple of the median of all staff | 3.9 | 4.0 |
| Principal's total remuneration as a median of all staff | 4.2 | 4.6 |

Notes to the Financial Statements

9 Other Operating Expenses

| | 2021 | 2020 |
|----------------------|--------------|--------------|
| | £'000 | £'000 |
| Teaching departments | 720 | 556 |
| Non-teaching costs | 1,349 | 1,085 |
| Premises costs | 1,086 | 1,007 |
| Total | 3,155 | 2,648 |

| | 2021 | 2020 |
|--|-------|-------|
| | £'000 | £'000 |
| Other operating expenses include: | | |
| Auditors' remuneration: | | |
| External audit | 20 | 22 |
| Internal audit | 10 | 18 |
| Other services from internal audit | 0 | 0 |
| Other services from external audit | 1 | 1 |

10 Interest Payable

| | 2021 | 2020 |
|---|------------|------------|
| | £'000 | £'000 |
| On bank loans | 0 | 5 |
| Net interest on defined pension liability (note 20) | 133 | 117 |
| Total | 133 | 122 |

Notes to the Financial Statements

11 Tangible Fixed Assets

| | Freehold Land and Buildings | Equipment | Total |
|---------------------------------------|-----------------------------------|--------------|---------------|
| | £'000 | £'000 | £'000 |
| Cost or valuation | | | |
| At 31 July 2020 | 17,249 | 2,276 | 19,525 |
| Additions | 0 | 685 | 685 |
| Disposals | 0 | (516) | (516) |
| At 31 July 2021 | 17,249 | 2,445 | 19,694 |
| Depreciation | | | |
| At 31 July 2020 | 7,265 | 1,553 | 9,818 |
| Charge for the year | 351 | 184 | 535 |
| Disposals | 0 | (471) | (471) |
| At 31 July 2021 | 8,616 | 1,267 | 9,883 |
| Net Book Value at 31 July 2021 | 8,633 | 1,178 | 9,812 |
| Net Book Value at 31 July 2020 | 8,894 | 723 | 9,707 |

Inherited land and buildings were valued at 1/4/93 for the purpose of the 1994 financial statements at depreciated replacement cost by the District Valuer/Valuation Officer for Redbridge. Other tangible fixed assets inherited from the local education authority at incorporation were valued by the Corporation based on specifically identified asset purchase costs. A cricket pitch was partially funded with £17,000 from Sport England is included above. If this is removed before 7 years elapse a proportion of the grant will have to be repaid. The pitch is six years old and it is considered extremely unlikely that this will happen.

If fixed assets had not been revalued before being deemed at cost on transition they would have been included at the following historical cost amounts:

Cost: Nil

Depreciation: Nil

Notes to the Financial Statements

12 Investments

| | <u>£'000</u> |
|--------------------------------|------------------|
| Balance at 1 August 2020 | 59 |
| Revaluation | 10 |
| Balance at 31 July 2021 | <u>69</u> |

The investment is in the Charities Official Investment Fund.

13 Trade and other receivables

| | <u>2021</u> <u>£'000</u> | <u>2020</u> <u>£'000</u> |
|--------------------------------------|-----------------------------|-----------------------------|
| Amounts falling due within one year: | | |
| Other debtors | 11 | 7 |
| Prepayments and accrued income | 110 | 264 |
| Total | <u>121</u> | <u>271</u> |

14 Creditors: Amounts Falling Due Within One Year

| | <u>2021</u> <u>£'000</u> | <u>2020</u> <u>£'000</u> |
|---|-----------------------------|-----------------------------|
| Trade creditors | 122 | 18 |
| PAYE/NIC | 2 | 2 |
| Deferred Capital Grants | 123 | 130 |
| Accruals and deferred income | 985 | 546 |
| Total | <u>1,231</u> | <u>696</u> |
| Included above within accruals are holiday pay accruals | 222 | 132 |

15 Creditors: amounts falling due after one year

| | <u>2021</u> <u>£'000</u> | <u>2020</u> <u>£'000</u> |
|-------------------------|-----------------------------|-----------------------------|
| Deferred Capital Grants | 2,177 | 2,293 |
| Total | <u>2,177</u> | <u>2,293</u> |

Notes to the Financial Statements

16 Deferred Capital Grants included above

| | 2021 £'000 | 2020 £'000 |
|------------------------|---------------|---------------|
| Opening Balance | 2,423 | 2,554 |
| Released to income | (123) | (131) |
| Closing Balance | 2,300 | 2,423 |

17 Contingent Liabilities

The effect of the McCloud/ Sargeant decision are reflected in the pension liabilities in note 19.

18 Cash and Cash Equivalents

| | 2020 £'000 | Cash Flows £'000 | 2021 £'000 |
|---------------------------|---------------|---------------------|---------------|
| Cash and cash equivalents | 1,190 | 395 | 1,585 |
| Total | 1,190 | 395 | 1,585 |

19 Pension and similar obligations

The College's employees belong to two principal post-employment benefit plans, the Teachers' Pensions Scheme (TPS) for academic and related staff and the Waltham Forest Local Government Pension Scheme (LGPS) which is managed by Wandsworth Council. Both are multi-employer defined-benefit schemes.

Total pension scheme for the year

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Teachers' Pension Scheme: Contributions paid | 598 | 455 |
| Local Government Pension Scheme: | | |
| Contributions paid | 382 | 330 |
| Strain payments | - | - |
| FRS 102(28) Charge | 541 | 348 |
| Charge to the Statement of Comprehensive Income | 923 | 678 |
| Total Pension Cost for Year within staff costs | 1,521 | 1,133 |

Notes to the Financial Statements

19 Pension and similar obligations (continued)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was at 31 March 2019 and of the LGPS at 31 March 2019.

There were no outstanding or prepaid contributions at the beginning or end of the financial year.

Teachers' Pension Scheme

INTRODUCTION

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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.

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.

Notes to the Financial Statements

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.

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 2019. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £638,000 (2019/20: £455,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Waltham Forest Local Authority. The total contributions made for the year ended 31 July 2021 were £521,000, of which employer's contributions totalled £382,000 and employees' contributions totalled £139,000. The agreed contribution rates for future years are 14% for employers and range from 5.5% to 7.5% for employees.

Notes to the Financial Statements

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2020 by a qualified independent actuary.

| | At 31 July 2021 | At 31 July 2020 |
|-------------------------------|--------------------|--------------------|
| | _____ | _____ |
| Rate of CPI inflation | 2.6 | 2.3 |
| Rate of increase in salaries | 4.1 | 3.8 |
| Rate of increase for pensions | 2.7 | 2.4 |
| Discount rate for liabilities | 1.6 | 1.6 |

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

| | At 31 July 2021 | At 31 July 2020 |
|-----------------------------|--------------------|--------------------|
| | _____ | _____ |
| <i>Retiring today</i> | | |
| Males | 22.7 | 22.6 |
| Females | 25.2 | 25.1 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.4 | 24.2 |
| Females | 27.1 | 27.0 |

Sensitivity analysis

| | At 31 July 2021 | At 31 July 2020 |
|--|--------------------|--------------------|
| | £'000 | £'000 |
| | _____ | _____ |
| Discount rate +0.1% pa | 315 | 280 |
| Inflation +0.1% pa | (320) | (285) |
| Pay growth +1% pa | (23) | (26) |
| Mortality assumption – 1 year increase | (513) | (435) |
| Investment Returns +1% | 84 | 70 |
| Investment Returns -1% | (84) | (70) |

Notes to the Financial Statements

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

| | Value at 31 July 2021 £'000 | Value at 31 July 2020 £'000 |
|-------------------------------------|--|--|
| Equities | 6,503 | 4,330 |
| Property | 768 | 585 |
| Other | 669 | 1,590 |
| Cash/liquidity | 314 | 379 |
| Total Market Value of Assets | 8,254 | 6,884 |

| | Expected return July 2021 £'000 | Expected return July 2020 £'000 |
|-------------------------------------|--|--|
| Equities | 78.8 | 62.9 |
| Property | 9.3 | 8.5 |
| Other | 8.1 | 23.1 |
| Cash/ liquidity | 3.8 | 5.5 |
| Actual return on plan assets | 1,006 | (343) |

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

| | 2021 £'000 | 2020 £'000 |
|-----------------------------------|-----------------------|-----------------------|
| Fair value of plan assets | 8,254 | 6,884 |
| Present value of plan liabilities | (16,149) | (14,355) |
| (Deficit) in the scheme | (7,895) | (7,471) |

Notes to the Financial Statements

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

| | 2021 | 2020 |
|----------------------|--------------|------------|
| | £'000 | £'000 |
| Current Service Cost | 923 | 616 |
| Curtailments | - | 60 |
| Administrative Costs | 16 | 12 |
| Interest | 117 | 105 |
| | 1,056 | 793 |

Amounts recognised in Other Comprehensive Income:

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Return on pension plan assets | (893) | 742 |
| Experience (gains)/ losses on defined benefit obligations | 643 | 1384 |
| | (250) | 2,126 |

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

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts included in staff costs: | | |
| Current service cost | 923 | 616 |
| Total | 923 | 616 |
| Amounts included in investment income | | |
| Net interest cost | (117) | (105) |
| Total | (117) | (105) |

Notes to the Financial Statements

| Amounts included in Other Comprehensive income | £'000 | £'000 |
|--|------------|----------------|
| Re-Measurements | 250 | (2,126) |
| Total | 250 | (2,126) |

| Movement in net defined benefit (liability)/asset during year | £'000 | |
|---|----------------|----------------|
| Net defined (liability) in scheme at 1 August 2020 | (7,471) | (4,880) |
| <i>Movement in year:</i> | | |
| Current Service Cost | (923) | (616) |
| Past Service Cost | - | (2) |
| Employer contributions | 382 | 330 |
| Net interest on the liability | (117) | (105) |
| Curtailments | - | (60) |
| Admin expenses | (16) | (12) |
| Actuarial (loss) | 250 | (2,126) |
| Net defined (liability) in scheme at 31 July 2021 | (7,895) | (7,471) |

Changes in the present value of defined benefit obligations

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Defined benefit obligations at start of period | 14,355 | 12,145 |
| <i>Movement in year:</i> | | |
| Current Service Cost | 923 | 616 |
| Interest on pension liabilities | 230 | 267 |
| Contributions by scheme participants | 139 | 109 |
| Experience (gains)/losses on defined benefit obligations | (299) | 1,384 |
| Gain/ (loss) on changes in assumptions | 942 | - |
| Past Service Cost | - | 2 |
| Curtailments | - | 60 |
| Estimated benefits paid | (141) | (228) |
| Defined benefit obligations at end of period | 16,149 | 14,355 |

Notes to the Financial Statements

| | | |
|---|--------------|--------------|
| Fair value of plan assets at start of period | 6,894 | 7,265 |
| Interest on plan assets | 113 | 162 |
| Return on plan assets | 893 | (742) |
| Administrative expenses | (16) | (12) |
| Employer contributions | 382 | 330 |
| Contributions by Scheme participants | 139 | 109 |
| Estimated benefits paid | (141) | (228) |
| Fair value of plan assets at end of period | 8,254 | 6,884 |

The estimated value of employer contributions for the year ended 31st July 2022 is £376,000.

20 Post Balance Sheet Events

There have been no post Balance Sheet events

22 Capital Commitments

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Commitments contracted for at 31 st July | 33 | 0 |

23 Lease obligations

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| <i>Other</i> | | |
| Not later than one year | 80 | 80 |
| Later than one year and not later than five years | 51 | 131 |
| Total lease payments due | 131 | 211 |

24 Restricted Reserves

The capital base of the Rothery Bequest is described in note 12. Revenue generated by the fund within the framework of the will is applied as specified, for the benefit of students, staff and the Learning Resource Centre. It is treated as an endowment.

Notes to the Financial Statements

25 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.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2020: None). The total expenses paid to or on behalf of the Governors during the year was £0; (2020: £0).

At the end of the year there was an outstanding season ticket loan to the Principal of £5,900 (2020: £5,500). This was made available and recovered on the same terms as to all other staff.

26 Amounts disbursed as agent

| Learner support funds | 2021 | 2020 |
|------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Funding body grants | 314 | 389 |
| Administration fee | (12) | (15) |
| | | 374 |
| Disbursed to students | (285) | (323) |
| Balance at 31 July | 17 | 51 |

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

The balance of these grants will be disbursed in 2021/22.