

Report and Financial Statements

31 July 2020



“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, Board of Governors and Professional advisers

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 2019/20:

David Vasse – Principal and Accounting Officer
Holly Bembridge – Vice Principal - Curriculum
David Ball – Vice Principal – Corporate Services
James Gould – Vice Principal – Student Services and Recruitment

Board of Governors

A full list of Governors is given on page 25 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:

MHA MacIntyre Hudson
6th Floor
2 London Wall Place
London
EC2Y 5AU

Bankers:

Lloyds Bank PLC
Gresham Street
London
EC2V 7HN

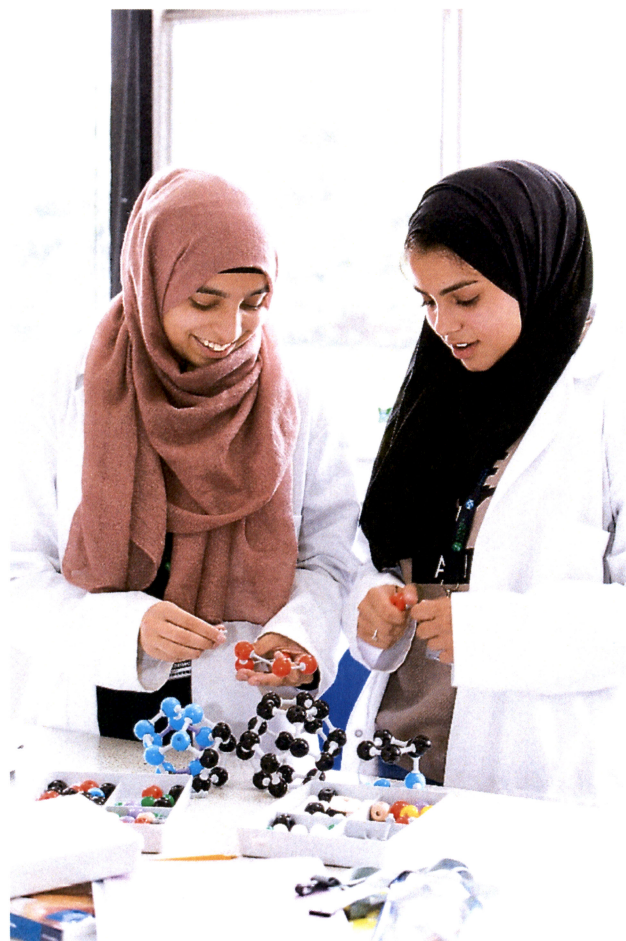
Solicitors:

Birketts
22 Station Road
Cambridge
CB1 2JD

Insurance

Zurich Municipal
2 Gladiator Way
Farnborough
GU14 6GB

Contents



Reports

Strategic Report	4-23
Statement of Corporate Governance and Internal Control	24- 31
Statement of Regularity, Propriety and Compliance	32
Statement of Responsibilities of the Members of the Corporation	33 - 34
Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College	35- 37
Reporting Accountant's Assurance Report on Regularity	38-39

Financial Statements

Statements of Comprehensive Income and Expenditure	40
Statement of Changes in Reserves	41
Balance Sheet as at 31 July 2020	42
Statement of Cash Flows for the year ended 31 July 2020	43
Notes to the financial statements	44 - 65

Strategic Report

OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2020.

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."

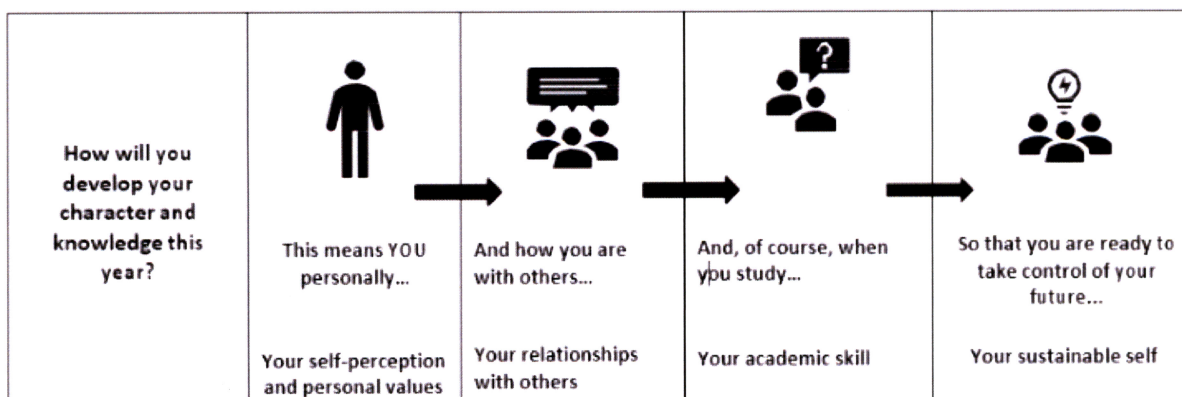
At Sir George Monoux College, we work to increase students' capacity to acquire lasting knowledge and to develop character. Knowledge and character combine to help students build a vision for their future, ideas and the confidence to engage.

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:



Strategic Report

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 20.

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.

Strategic Report

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 85.4% in 2018/19, achieving the College's target. In 2019/20 the rate is 91.9%, though the use of alternative assessment methods does not mean the results are strictly comparable.

ALPs scores at level 3 significantly improved for the fourth year (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
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 84%, just below target in 2019/20, though it was adversely affected by the Covid-19 shutdown.

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.

Strategic Report

The College recruited (and retained to the census date) 1,709 students, more than it was funded for. This increase was planned and in line with the College's strategic plan.

- The surplus was below the target 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 negative 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 £242,000 (after £465,000 of FRS 102 S28 related pension costs) (2018/19 – deficit of £611,000 after £642,000 of FRS 102 S28 costs). The direct costs of Covid-19 were some £60,000, not including lost letting income of approximately £20,000. 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 its 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 2020/21.

The College has accumulated reserves of £3.358 million (after pension fund deficit of £4.88 million) and cash balances of £1.170 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 £2.6 million negative, entirely due to the £7.5 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 £318,000. The additions were improvements or upgrades to the IT Network infrastructure.

The College places significant reliance on the education sector funding body for its principal funding source, largely from recurrent grants. In 2019/20 the funding body provided 99% of the College's total income.

The College recruited 1,709 students in the summer of 2019, in line with predictions. 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 2020 is just below target.

Strategic Report

The College remains strongly placed to return to having an operating surplus in 2020/21 with its continuing record of cost control and its reputation consistently improving.

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 revenue 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 £316,000 outflow (2018/19 £627,000 inflow), operating cash outflow was in line with expectations. The net cash flow was an outflow of £784,000.

The College's reliance on 16-19 year old funding means that income has not been adversely affected by the Covid-19 crisis. Directly attributable additional costs of over £60,000 were incurred due to the crisis with further expenditure on PPE, IT equipment and changes to layouts of the College site needed in 2020/21.

Liquidity

The College has one loan that was taken out to fund the construction of new buildings in 2004. This fixed rate loan had £149,000 outstanding at the year-end in 2019 and was fully repaid in January 2020.

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 2019 to 31 July 2020, the College has aimed to pay all of its undisputed invoices within 30 days. Over 99.9% 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 2019/20.

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 £59,000 of restricted reserves. As at the Balance Sheet date the Income and Expenditure account deficit stood at £2,668,000 (2019: surplus £89,000). 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 £8.238 million (£0.76 million after deduction of the pension fund deficit of £7.47 million) and cash balances of £1.19 million. The College aims to make surpluses before FRS 102 S28 pension adjustments.

Strategic Report

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2019/20 the College has delivered activity that has produced £8,679,258 in funding body main allocation funding (2018/19 – £8,213,000). The College had 1,709 funding body funded students.

The number of student enrolments increased significantly in 2019/20. 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 85.4% in 2018/19. The methodology for awarding results in the midst of the pandemic renders the comparison of results with previous years meaningless, however the rate was 91.9% 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.

The College management and the Corporation are certain that the College is well placed to continue, and accelerate, its improvement whilst remaining financially viable.

The College was due to be re-inspected by Ofsted early in the 2019/20 academic year. This had not happened before lockdown. The College is keen for the inspection to happen as our self-assessment of the College is well placed for a good grade 2.

Ofsted

The College was inspected in January 2018. The overall conclusions were:

Effectiveness of leadership and management	Good
Quality of teaching, learning and assessment	Requires improvement
Personal development, behaviour and welfare	Requires improvement
Outcomes for learners	Requires improvement
16 to 19 study programmes	Requires improvement
Overall effectiveness at previous inspection	Requires improvement

The College has the following strengths:

- The new leadership team has established a positive environment for both staff and students, with a strong focus on improving teaching. Leaders, Governors and managers have improved markedly

Strategic Report

their ability to assess the quality of teaching and learning, and to put in place improvement strategies.

- Teachers are now setting more effective targets for students, and using better checks to monitor their progress.
- Students have good opportunities to build their independence, social and interpersonal skills.
- Managers and teachers have successfully increased the proportion of students on vocational courses at levels 2 and 3, who make up around two thirds of students, who achieve their qualifications and make good progress in their learning.
- Students receive good, impartial careers guidance, and support with application to university.
- On completion, a high proportion of students successfully progress to the next stage of their education or training.

In October 2018 the College had a monitoring visit, as required by the inspection regime following a “requires improvement” grade. The following themes were reviewed:

- What impact have leaders’ and managers actions had in increasing the proportion of students who achieve their qualifications and the grades expected of them? REASONABLE PROGRESS.
- How effective have leaders and managers been in increasing the opportunities for students to have work experience to support the development of their work-related skills? REASONABLE PROGRESS.
- What impact have leaders and managers had in supporting teachers to plan lessons that engage and motivate students more so that all students make good progress? REASONABLE PROGRESS.
- What impact have leaders and managers had in improving students’ behaviour and attitudes to learning, particularly regarding attendance, punctuality and the management of their folders and/or notebooks? SIGNIFICANT PROGRESS.

In October 2020 Ofsted had a two day interim visit to the College. The feedback was extremely positive.

Strategic Report

Curriculum developments

- Entry Periods were introduced in September 2018, having been designed as an initiative to improve students' preparation for the college day as well as provide an opportunity to develop students' communication skills. Entry Period is intended to ensure better transition from home and the street to the climate of the college as well as to improve students' punctuality at the start of the day. All students who have a 10.00am lesson are scheduled to enter the college through the Zone between 9.35 and 9.55 (although many choose to arrive earlier) where staff are able to greet students and be alert to any issues or support needs. A free healthy breakfast is provided to all students who want it.

Adapting to the pandemic at Sir George Monoux College

Over the last few years, we have 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. When the pandemic hit in March 2020, we drew from this culture to rapidly transition to an 'online college'. Plentiful open communication and acknowledgement that this was an experimental phase for all of us helped us to learn and adapt our approach to educating students through the pandemic. The approaches we are using currently are informed by our values and our experiences during lockdown.

Safeguarding and Well-being

During the closure period

- Support staff were allocated a caseload of students (up to 60) to call each week. The focus was checking on well-being, discussing engagement and attendance with online learning and picking up any issues/concerns. We had over 12,000 of these conversations during lockdown, with 86% of students positively engaging with the service.
- We provided free school meal funds to students right the way through the summer term, and through the summer holidays, alleviating food poverty.
- New Safeguarding policies and practices were introduced to cover referrals and to ensure that staff and students remained safe during online lessons. All staff received Safeguarding and Prevent training through an online training module that we developed in-house. All Safeguarding Officers received external specialist refresher training online.
- Talent Lab 'online' covered important personal and social issues throughout the closure period. In an online survey completed by 60% of students during the closure period, 96% of students said they felt safe in the online learning environment, and 99% of students said they understood how to stay safe online.
- Esafe online safety monitoring remained in place for loan devices to monitor student and staff activity, communicate safety and identify students at risk of harm.

Since September we have:

- Expanded our Personal Mentoring and Counselling service by four new members of staff to respond to an anticipated rise in personal challenges faced by students.
- Our 'Reach Up' programme (introduced in 19/20) has continued to provide in-depth support and structure to a small number of new students who have faced particular challenges engaging in education – such as those previously educated in Pupil Referral Units.

Strategic Report

- Delivered an induction programme which included online videos including Safeguarding, Covid-19 and classroom discussions on personal resilience in the pandemic. These discussions have identified around 30 students to receive a more in-depth programme.
- Ensured all newly enrolled students to have had confidential conversations with support staff to disclose any support or wellbeing needs.
- Further training on Prevent and Safeguarding is planned for Safeguarding Officers on the 5th October. Teachers in the Digital Pathway will also be receiving more in-depth training on supporting students with digital resilience from the Waltham Forest Prevent Team.
- Launched a free healthy meal scheme for all students, with 100 healthy meals given away each day.
- Begun a full programme of Sport, using Sport England Covid-19 secure guidelines. This now includes additional sessions after college and on Saturdays.
- Converted 'Monoux Passport' (our initiative to ensure that students take time each term to reflect, write about their development and plan for their future) into a fully online format, with the first planned for the 5th and 6th October. During these two days students will engage in a variety of assemblies online, reflect in detail on their personal development and academic learning and have an in-depth conversation with a member of staff. The first assembly will cover Democracy, Citizenship and focus on the interrogation of online news sources in the wake of current issues highlighted by the death of George Floyd and Covid-19. Confirmed guests include the Superintendent Waheed Khan - Metropolitan Police Lead Responsible Officer for Hate Crime, a stop and search App developer, and a political advisor who has led on the response to the Covid-19 pandemic.
- Continued to take a robust and preventative approach to risks around gangs and youth violence, which continue to impact on our students. This includes further investment in our team of campus officers, presence of senior staff at the end of the day and regular communication around staying safe travelling to and from college. Following a small number of crime incidents where our students were targeted outside the college, close working with the police has led to an increased presence in the side roads around the college.

COVID-safe

During the closure period

- We had a rota of teachers and senior staff available each day in case vulnerable students opted to come in
- Security guards were issued with PPE and temperature guns to read forehead temperatures of any staff or visitors who needed to come on-site
- Hand sanitiser stations were positioned at the entrance, with anybody entering the college required to sanitise.
- A register of anybody on-site was taken each day.

Since September we have:

- Developed an online learning schedule, whereby students learn online one week in every six, keeping pressure on our on-site spaces lower, whilst also retaining online teaching and learning skills in order to build resilience to any further shutdowns.
- Required all teachers to have seating plans for their lessons to minimise infection and in order to help any 'track and trace' response in the event of positive COVID tests.
- Required all students to hand in work via Microsoft Teams to minimise the transferring of papers and materials between teachers and students.
- Created a staggered timetable with academic students (who necessarily mix in different class groupings) on one schedule, and vocational students on another. This minimises mixing between

Strategic Report

these groups on entry to and exit from the college, as well as at break times. It also helps to reduce pressure on public transport.

- Erected screens in areas where students need to meet staff face to face (e.g. Reception) as well as in areas where students have to face each other as seats cannot be moved to face all in one direction (e.g. IT classrooms).
- Fitted hand sanitiser stations in every classroom and office. Staff and students are required to sanitise on entry into these spaces.
- Reconfigured classrooms so that wherever possible desks are individually spaces and all facing in the same direction (towards the teacher). We have always ensured that teachers have at least 2m distance at the front of the room to allow them to be socially distant.
- Timetabled for safer bubbles wherever possible: academic students are necessarily in larger year 12 and 13 bubbles. Vocational students are with the same class throughout, and wherever we can students requiring additional maths and English have been timetabled together with people from the same vocational group. We have also reduced the number of teachers and rooms used by all class groups.
- Ventilated classrooms by requiring windows to be open, keeping doors open wherever this is not too disruptive, and heating the building to avoid discomfort.
- Provided PPE and masks for all staff and students who need them.
- Introduced more frequent and thorough deep cleans.
- Altered the layout and limited overall numbers of people in large spaces such as the Canteen or LRC to enable social distancing.
- Placed 30 extra exterior picnic benches so that students have more outside seating.
- Deployed senior staff and additional campus officers to manage students leaving at the end of the day, and to get on buses safely.
- Re-designed our enrolment system so that the majority of the process was completed online or remotely. The only face to face interaction was the IAG conversation with a curriculum member of staff. This removed queuing on campus during the enrolment period and students were able to track the progress of their enrolment via their phones.

Supporting students to work hard, develop personally and engage in positive activities

During the closure period

- We ran 'Talent Lab' online – supporting students with a range of material including health eating, emotional well-being, staying safe online, sport and games.
- We communicated regularly with students and parents about how they could engage with the college and take part in activities to keep themselves mentally and physically fit, through Loom videos from the Principal. In a parent survey conducted in July 2020, several parents commented on how helpful this had been: e.g. *"I have been very impressed with how Sir George Monoux College has functioned during the current crisis, in the areas of teaching, communication and support... the principal's YouTube videos keeping us informed and up to date. I look forward to my son returning to SGMC in September and I know that the college will be careful to respond to changes in the situation if there are further peaks in Covid-19 as predicted."*

Since September we have:

- Timetabled Talent Lab slots for all students, now split across the day to effectively manage numbers on site.
- Extended our opening hours into evenings and Saturdays to help students study and attend additional sessions.

Strategic Report

- Put on additional small group English GCSE, Maths GCSE and additional 'Next Steps' (destinations planning) sessions for students. So far, around 50 students have attended English sessions, around 200 have attended maths sessions and around 150 have attended Next Steps.
- Appointed a further three Progress Coaches, in part to deliver additional skills and Next Steps sessions, as well as to support students with any catching up they may need to do after lockdown.
- Maintained the culture of the Library as a hard-working space where students can receive academic support.
- Increased our contacts with parents, with a focus on how they can support their young people to work hard and get the best out of college. We have run two parent information evenings so far, seeing over 120 parents, with plans for more parents' evenings than in previous years.
- Introduced – 'catch-up', a form of detention with academic support for those students who haven't handed in their independent work to teachers. Whilst attendance continues to be very important, we recognise that the pandemic will affect this measure, and so the ability for students to produce independent work to deadline has become a more important measure. *So far 160 students have been put forward for Catch-Up, and only 9 have failed to produce the work for their teachers in time to avoid having to do the work in the Catch-Up session – a success rate of 94%*
- Implemented staggered 'Entry Periods' (where students are required to attend college ahead of their lesson times to be greeted by staff and key information for the day is shared with them) to improve punctuality, communication skills and transition to a professional environment. Introduced together with strict rules on lateness have had a significant impact in improving punctuality, with students with 10:00am lessons are now 29% more likely to enter the college before 9:55, and 25% less likely to arrive in college after 10:00am

Shaping our curriculum to maximise student progress and achievement

During the closure period

- We were able to train all teachers in the use of MS Teams as a teaching tool, online behaviour management and learning safety in the week before the lockdown.
- We were able to operate all lessons on the same timetable from the first day of shutdown.
- In response to students who were often sharing devices at home, after several weeks we condensed the lessons to the morning by shortening lesson lengths.
- Dongles and Wi-Fi access were purchased for students who did not have access to the internet at home.
- Over 200 laptops were reconfigured for home use by students to help them to access lessons.
- All teachers were able to finish the curriculum with their students, with attendance to A Level sessions over 19-20 unaffected at 88%, attendance to vocational sessions moderately affected at 85% (-1%), and attendance to additional maths and English severely affected at 72% (-4%) (these attendance figures are for the whole year).
- We ran an online staff development day, with teachers attending a session on dual coding with Oliver Caviglioli, as well as having an opportunity to share with each other what had worked well and less well during online teaching. Several staff are now running supported experiments on dual coding and we used teacher sharing to plan curriculum and training for this year.
- We surveyed students about the experience of learning online. 76% of 1260 respondents agreed that the online curriculum had been clear and easy to follow, whilst 57% agreed it had been as engaging as onsite lessons and 67% agreed it had been as challenging as onsite lessons.
- We surveyed parents about online learning. From 121 responses, 93% felt the college offered good quality online lessons, 96% agreed the college kept students well informed about its COVID response and 96% would recommend the college to friends and family.
- Managers met with students and their parents online where there were concerns about student study behaviours prior to lockdown, so that expectations could be set and contracts made to facilitate progression.

Strategic Report

Since September we have:

- Introduced 'Monoux Graduation' to staff and students – aiming to communicate earlier and more often the standards of work and behaviour expected to facilitate internal progression. 88% of all students on L2 or L3Y1 programmes have progressed with us internally – down from 92% of a smaller cohort last year, but up from 84% in 18/19 and 79% in 16/17.
- Ramped up assessment schedules in the first six weeks to identify gaps in learning caused by lockdown, and to verify that students have been placed on the right courses in light of the more generous CAGs GCSE system.
- Uploaded 'Roadmaps' (student-facing simplified schemes of work) and 'PLCs' (Personalised Learning Checklists – a unit-by-unit list of core knowledge and skills) for every course on MS Teams, as well as sharing these with parents. These will help students, parents, and support staff to quickly orient themselves in terms of where they should be on the course, and identify gaps in learning – essential at a time when enforced absence is becoming a norm. Parents have begun viewing Roadmaps and PLCs.
- Uploaded resources and assignments for lessons on MS Teams as each lesson begins, helping students who are working from home due to self-isolation not to get behind with their studies.
- Run diagnostic free-writing in all lessons to identify students who need referrals to ALS more quickly. Details on students with support needs are now up on the system to assist teachers a couple of weeks ahead of last year.
- Included online lessons in our learning walks schedules to test the quality of this offer against Monoux Teacher standards. Early comments have all been positive, e.g. "In online lessons teachers were checking participation by using worksheets and class notes – can see students typing. Also good use of chat function to engage and check in on students."
- Run further training for teachers on using MS Teams, after feedback from teachers on what would be most useful from the July training day. Many more teachers now using Class Notes (see point above).
- Planned a training day on October 5th focusing on Barak Rosenshine's 'Principles of Instruction' – the underpinning text for the Monoux Teacher framework.

Destinations and Work Experience

During the closure period

- We continued our process of university applications – through our Next Steps tutors and Unifrog platform. This was in addition to students starting their UCAS applications during the summer period to free up time in the Autumn Term for more IAG support.
- We maintained contact with employers to deliver work experience activities online, such as Eurostar supporting students with business style French.

Since September we have:

- Given all level three second year students a weekly session online with their Next Steps tutor, helping them to plan their destinations. We have also run additional workshops for A Level students.
- Moved work experience projects to online platforms – such as the 'Autograph' project, where students are engaging with professional photographers to receive feedback on their work.
- Kept students updated about work experience and volunteering opportunities relevant to their courses through teachers posting on MS Teams.

Strategic Report

Enrolment and IAG

Placing students on appropriate courses is a very high priority for the college, to the point where we were willing to shrink down in size in order to protect the quality of enrolments. Having improved our internal progression rates and our reputation in the local area, our student numbers have now replenished.

During the closure period

- We ensured that all new applicants to the college continued to have an 'IAG' interview via telephone to ensure that they were aware of which courses could best meet their ambition and interest.

Since September we have:

- Given all newly enrolled students an additional IAG interview with a member of curriculum staff in order to ensure that the best possible decisions were made for study programmes.
- Quality-checked every enrolment by curriculum SLT members. We did not consider it right or fair to alter our entry requirements in light of CAG GCSEs, but we quality-checked each enrolment and were much less inclined to give students the benefit of the doubt where they were close. Any student who wanted a higher level of programme than GCSEs allowed had to sit a test marked by teachers in the subject area.
- Supplemented enrolment decision with regular assessment in the first weeks of term to ensure that students are on the right programme.
- Developed a new online course change process to allow for a probable increase in course changes. So far, we have made 140 course changes (an increase of about 40%) with the great majority of those initiated by students.



Strategic Report

Future developments

The College funding income for 2020/21 has been set at £9.6 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. College facilities for science, information technology (both for digital and creative industries) and design do not match the aspirations of the curriculum and fall below the expectation of prospective learners. Facilities and accommodation in these areas generally lack the specialist quality that will support the strategic intent that all Pathways develop a flagship course with industry/workplace backing.

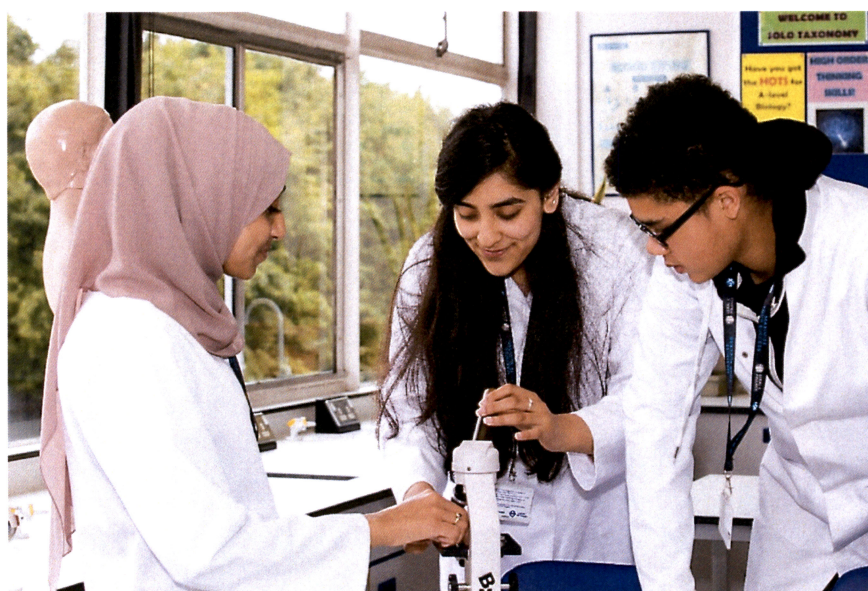
We provisionally intend to develop plans for a Science and Technology building. This would be estimated to be a building that would require a £11M budget, to be financed through land sale, capital funding, bank loan and fundraising.

Curriculum

- The College plans to reopen in a manner as close to normal as possible for the academic year 2020/21.
- 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.
- A staggered timetable has been introduced so that students can arrive on site able to maintain distance. It will also reduce pressure on public transport.
- Break times and lunch breaks have been staggered to reduce congestion around the site.
- 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.
- Timetable planning has created safer “bubbles”.
- Classroom doors and windows will remain open wherever possible to increase airflow.
- As far as is possible movement of classes between rooms has been reduced.
- Students will be released from class one by one.
- Masks and visors have been procured for all staff.
- There will be a limited number of online learning for each student (no more than one week per half term).
- Strict cleaning and sanitizing regimes have been introduced.
- One to one student meetings where information on screen needs to be shared have been set up with a separate screen for the student.
- The College has increased its staffing levels of personal mentors and progress coaches to assist with students with catching up on missed learning.
- An additional counsellor has been appointed temporarily to help students with the mental health issues arising from lockdown.
- The College will extend opening hours for self-study and introduce Saturday catch up sessions.
- Bursary funds will be used to ensure that those students have access to IT resources.
- Online training in safeguarding and GDPR will continue to be carried out.

Strategic Report

- Following a highly successful first year the College is continuing its Talentlab provision. It will be scheduled throughout the day, rather than in one slot, to assist with social distancing and maintaining “bubbles”.
- 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.
- Work experience will be 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.



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.

Strategic Report

Financial

The College has £0.767 million of net assets (after £7.47 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 2016 the FRS 102 S28 deficit was £4.501 million. However, the full actuarial valuation of the fund, as at 31 March 2016, showed that the College's share of the deficit had declined from the last actuarial valuation by £744,000 to £1.081 million. The College's funding level had risen from 62% to 80% 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 reduced from £4.501 million to £3.347 million at 31 July 2017 and to £2.514 million at 31 July 2018 (see note 20), primarily due to a high return on plan assets. It has now risen to £7.47 million. This is a substantial difference from the 31st March 2016 Actuarial valuation. This increase includes the effect of the McCloud/ Sargeant legal decision, but does not include any impact of Guaranteed Minimum Pension (see note 18) where the decision is outstanding.

The latest actuarial review of the TPS was carried out as at 31 March 2016. 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 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 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 135 people (expressed as full time equivalents), 74 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.

Strategic Report

Reputation

The College has a good reputation locally and across the whole of East London. Despite its recent dip in performance the College's long history and lengthy record of success stands it in good stead for the future.

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 all of its risk positions, with exception of student recruitment where data from one more recruitment was needed to prove that the College had successfully turned around falling numbers.

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.

The College remains financially viable

The College places considerable reliance on continued government funding through the ESFA. In 2019/20, 98% 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.

This risk has been mitigated by:

- Detailed budgeting over a four year period;
- Cost saving strategies;
- Aligning temporary income and expenditure, and
- Obtaining funds from other sources.

Student Progress

Covid19 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.

Strategic Report

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 on a temporary basis;
- Investments in IT hardware in case of further lockdowns;
- Bursary funds used to provide laptops for students in need, and
- Staggered timetables.

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.

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.

Strategic Report

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.

Total number of employees who were relevant	Full time equivalent employee number
1	1

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

Description	Amount
The total cost of employee facility time	£3,502
The total pay bill	£6,599,000
The percentage of the pay bill spent on facility time.	0.0534%

Strategic Report

Time spent on paid trade union activities as a percentage of total paid facility time hours
36%

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

Approved by order of the members of the Corporation on 15 December 2020 and signed on its behalf by:

Signed _____



Alan Wells OBE
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 2019 to 31st July 2020 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 2020.

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		1 year		50%
Mr K Atta	Independent	13.10.20		4 years		N/A
Ms A Betiku	Independent	13.10.20		4 years		N/A
Ms R Bhalla	Independent	2.7.17		5 years	VCh, A(Ch), P,	63%
Mr RJ Raafey	Student	14.12.19		1 year		25%
Mr. J Bush	Independent	9.12.17		5 years	VCh, R(Ch), P	71%
Ms T Chirouf	Independent	10.10.15		5 years	A, E	75%
Ms C Evans	Independent	22.9.18		4 years	A, Q	89%
Mr. T Foakes	Independent	7.7.19		5 years	A, N(Ch), E	100%
Mr S Jones	Independent	22.3.16		4 years	Q,N	57%
Ms F Juhera	Staff	20.3.18		4 years	E	100%
Mr J Kenth	Independent	2.4.19		4 years	A	89%
Ms M Lewin	Independent	22.10.16		4 years	P(Ch),E	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), N	100%
Ms N Shah	Staff	17.12.19		4 years		100%
Mr D Vasse	Principal	8.10.16		N/A	R, Q, E	92%
Ms S Virdee	Staff	27.1.18	20.10.19	4 years	R	N/A
Mr. A Wells OBE	Independent	2.7.17		5 years	Ch, N P,	100%
Ms S Whittaker	Independent	13.10.20		4 years		N/A
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 2019/20 these committees were; Resources; Nominations; Performance & Quality Monitoring, 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	67%
External Relations	100%
Nominations	60%
Performance	88%
Remuneration	N/A
Resources	65%

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 (though due to the Covid-19 pandemic one meeting was cancelled in the year).

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 2020, 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 Ms R Bhalla, Mr J Bush, Mr S McLean, Mr A Owens and Mr A Wells by one year.

Corporation Performance

The Corporation assessed its performance as part of Governor individual appraisal in autumn 2020. Overall, the effectiveness of the Corporation in 2019-20 was assessed as 'good'. The College remains in a strong financial position under the current Principal.

Remuneration Committee

Throughout the year ending 31 July 2020, the Remuneration Committee comprised five 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 did not meet 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 2020 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.

The Corporation has not considered whether or not to adopt the Colleges' Senior Staff Remuneration Code (hereinafter "the Code"). Hence, at present, it has not adopted the Code.

The Corporation is likely to decide later this term, on the advice of the Remuneration Committee, whether or not to adopt the Code. However, any decision that may be taken at that time has no impact on the Annual Report and Accounts for the 2019-20 financial year.

There is at present no Senior Staff Remuneration Policy, though one is in preparation for consideration by the Remuneration Committee during October 2020 and, if thought fit, recommendation to the Corporation.

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.

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

Statement of Corporate Governance and Internal Control

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 August 2019.

Audit Committee

The Audit Committee comprises of three members of the Corporation Ms R Bhalla, Ms T Chirouf, Ms C Evans, (excluding the Principal and Chair) and an associate member of the Corporation. 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.

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.

Statement of Corporate Governance and 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 2020 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

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.

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:

Statement of Corporate Governance and Internal Control

- 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
Key Financial Control – General Ledger	Substantial	0	0	0	0
Risk Framework & Risk Management Strategy	Substantial	0	1	0	1
GDPR Compliance	Substantial	0	0	1	0
Safeguarding	Adequate	0	2	2	0
Schools Engagement	Substantial	0	1	0	0
Course Viability	Substantial	0	0	0	0

The recommendations for Safeguarding were that one governor had not received safeguarding training and some staff had not had their DBS renewed after three years – even though this was due to Covid-19. The College was disappointed in these resulting in an Adequate grade as the College's safeguarding is excellent and these were technical points (reviewing DBS every three years not even being a legal requirement).

The Committee therefore recommended a schedule of work, proposed by the internal audit service following consultation with appropriate College officers, to reflect the needs of the Corporation for key assurances and those of the financial statements auditor in relation to the financial statements audit.

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.

Statement of Corporate Governance and Internal Control

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 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 2020 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2020 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 2020.


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"*.

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 they continue to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 15th December 2020 and signed on its behalf by:

Signed 
Date 15 December 2020
Chair


Signed 
Date 15 December 2020
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 15 December 2020
Chair

Signed 
Date 15 December 2020
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 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 2015 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;
- ◆ 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 College.

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.

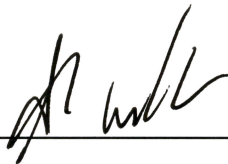
Members of the Corporation are responsible for ensuring expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA are used only in accordance 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 15 December 2020 and signed on its behalf by:

Signed _____

A handwritten signature in black ink, appearing to be 'A. White', written over a horizontal line.

Date: 15 December 2020

Chair

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College Year ended 31 July 2020

Opinion

We have audited the financial statements of Sir George Monoux College for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2020 and of the surplus for the year then ended;
- have been properly prepared in accordance with the 2015 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College Year ended 31 July 2020

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the members' report or operating and financial review or the statement of corporate governance and internal control.

We have nothing to report in respect of the following matters in relation to which the Post 16 Audit Code of Practice issued jointly by the Skills Funding Agency and the Education Funding Agency (March 2018) requires us to report to you if our opinion:

- adequate accounting records have not been kept; or
- the annual accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the 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 Governors either intend 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College Year ended 31 July 2020

related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Governors, 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 Governors, as a body, 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 Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

MHA MacIntyre Hudson LLP
Chartered Accountants and Registered Auditors
6th Floor
2 London Wall Place
London
EC2Y 5AU

Date: *22 January 2021*

Reporting Accountants' Assurance Report On Regularity

Year Ended 31 July 2020

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

In accordance with the terms of our engagement letter and further to the requirements of the financial memorandum/funding agreement with the ESFA 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 Sir George Monoux College during the period 1 August 2019 to 31 July 2020 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 Department. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record returns, for which the Department has other assurance arrangements in place.

This report is made solely to the Corporation of Sir George Monoux College and Department 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 Department 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 Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities 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 is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and 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 2019 to 31 July 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the Department. 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.

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.

Reporting Accountants' Assurance Report On Regularity

Year Ended 31 July 2020

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 our conclusion included:

- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the relevant framework;
- Reviewing the Corporation minutes relevant to our consideration of regularity;
- Testing transactions with related parties;
- Testing a sample of payments to suppliers and a sample of payroll payments to staff.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 August 2019 to 31 July 2020 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 Statutory Auditors

6th Floor
2 London Wall Place
London
EC2Y 5AU

Date: *22 January 2021*

Statements of Comprehensive Income and Expenditure

	Notes	2020 £'000	2019 £'000
INCOME			
Funding Body Grants	2	9,332	9,317
Tuition Fees and Education Contracts	3	1	3
Other Grants and Contracts	4	56	53
Other Income	5	115	79
Investment Income	6	4	5
Total Income		9,508	9,457
EXPENDITURE			
Staff Costs	7	6,907	6,738
Other Operating Expenses	9	2,648	2,691
Interest Payable	10	122	107
Depreciation	11	538	537
Total Expenditure		10,215	10,073
(Deficit) Before Other Gains and Losses		(707)	(616)
Gain on Investments		0	5
(Deficit) for the Year		(707)	(611)
Actuarial(loss)/ Gain in Respect of the Pension Scheme		(2,126)	(1,724)
		(2,833)	(2,335)
Represented by:			
Restricted Comprehensive Income		0	5
Unrestricted Comprehensive Income		(2,833)	(2,340)
		(2,833)	(2,335)

The notes on pages 44-65 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 2019	89	3,452	59	3,600
(Deficit) from the Income and Expenditure Account	(707)			(707)
Other Comprehensive Income	(2,126)			(2,126)
Transfers Between Revaluation and Income and Expenditure Reserves	56	(56)		
Total Comprehensive Income for the Year	(2,777)	(56)	0	(2,833)
Balance at 31st July 2020	(2,688)	3,396	59	767

The notes on pages 44-65 form part of the Financial Statements.

Balance Sheets as at 31 July 2020

	Notes	2020 £'000	2019 £'000
Non Current Assets			
Tangible Fixed Assets	11	9,707	9,928
Investments	12	59	59
		9,766	9,987
Current Assets			
Trade and Other Receivables	13	271	106
Cash and Cash Equivalents	19	1,190	1,974
		1,461	2,080
Creditors – Amounts falling due within One Year	14	(696)	(1,169)
Net Current Assets		765	911
Total Assets less Current Liabilities			
Creditors – Amounts falling due after more than One Year	15	(2,293)	(2,418)
Net assets excluding Pension Liability		8,238	8,480
Pension Liability		(7,471)	(4,880)
Net Assets		767	3,600
Reserves			
Revaluation Reserve		3,396	3,452
Income and Expenditure Account		(2,688)	89
Total Unrestricted Reserves		708	3,541
Restricted reserve – Rothery Bequest	23	59	59
Total Reserves		767	3,600

The financial statements on pages 34 to 66 were approved and authorised for issue by the Corporation on 15 December 2020 and were signed on its behalf on that date by:

Chair of the Corporation



Principal



The notes on pages 44-65 form part of the Financial Statements.

Statement of Cash Flows for the Year Ended 31 July 2020

	Notes	2020 £'000	2019 £'000
Cash flow from operating activities			
(Deficit) for the Year		(707)	(616)
Adjustment for non-cash items			
Depreciation	11	539	537
(Increase) in debtors	13	(165)	(46)
Increase/ (Decrease) in creditors due within one year	14	(323)	231
(Decrease) in creditors due after one year	15	(125)	(136)
Pensions: costs less contributions payable	7	348	555
Adjustment for investing or financing activities			
Investment income	6	(4)	(5)
Interest payable	10	122	107
Net cash flow from operating activities		(316)	627
Cash flows from investing activities			
Investment income	6	4	5
Payments made to acquire fixed assets	11	(318)	(163)
		(314)	(158)
Cash flows from financing activities			
Interest paid	10	(5)	(20)
Repayments of amounts borrowed	17	(149)	(286)
		(154)	(306)
Increase in cash and cash equivalents in the year		(784)	163
Cash and cash equivalents at beginning of the year		1,974	1,811
Cash and cash equivalents at end of the year		1,190	1,974

The notes on pages 44-65 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 2018 to 2019 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 outstanding loan in 2019/20. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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.

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.

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 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

Notes to the Financial Statements

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.

Non-Current Assets - Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 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.

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, which for computer equipment is 3 years, and for other equipment up to 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

Notes to the Financial Statements

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.

Other 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.

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.

Notes to the Financial Statements

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.

- 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements

2 Funding Body Grants

	2020	2019
	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency – 16 -18	9,107	8,993
Releases of Deferred Capital Grants	131	136
Greater London Authority	79	0
SCIF	0	173
Other	15	15
Total	9,332	9,317

3 Tuition Fees and Education Contracts

	2020	2019
	£'000	£'000
Other Education Contracts	1	3
Total	1	3

4 Other Grants and Contracts

	2020	2019
	£'000	£'000
Sport England	46	52
Other	10	1
Total	56	53

Notes to the Financial Statements

5 Other income

	2020	2019
	£'000	£'000
Lettings	22	29
Exam retake fees	3	4
Photocopying charges	16	19
Other	74	27
Total	115	79

6 Investment Income

	2019	2019
	£'000	£'000
Other interest receivable	4	5
Total	4	5

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:

	2020	2019
	No.	No.
Teaching staff	83	80
Non-teaching staff	71	65
	155	130

Staff costs for the above persons

	2020	2019
	£'000	£'000
Wages and salaries	4,867	4,631
Social security costs	511	455
Other pension costs (including FRS 102 S28 adjustments of £348,000- 2019 £555,000)	1,133	1,139
	6,511	6,225
Contracted staff	396	513
	6,907	6,738
Restructuring costs - Contractual	0	43
- Non contractual	0	12
	0	55

Notes to the Financial Statements

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

	2020 No.	2019 No.
The number of key management personnel including the Accounting Officer was:	<u>4</u>	<u>4</u>

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	
	2020 No.	2019 No.	2020 No.	2019 No.
£40,001 to £45,000 p.a.	-	-	-	-
£50,001 to £55,000 p.a.	-	-	-	2
£55,001 to £60,000 p.a.	-	-	3	1
£70,001 to £75,000 p.a.	-	1	-	-
£75,001 to £80,000 p.a.	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	-	-	-
£125,001 to £130,000 p.a.	-	1	-	-
£135,001 to £140,000 p.a.	1	-	-	-
	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>

Cost of living pay rises of 1.5% from 1 September and a further 1.25% from 1 April 2020 were made based on current salary, with staff on lower pay points receiving a higher rise. 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:

	2020	2019
	£	£
Salaries	388,011	369,078
Pension contributions	74,183	55,434
Employers National Insurance	48,754	46,245
	510,948	470,757

Employer contribution rates to the Teachers' Pension Scheme rose significantly as compared to 2018/19.

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:

	2020	2019
	£	£
Salary	137,549	128,580
Pension contributions	31,800	21,190

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.

Senior post-holders, including the Principal and other higher paid staff, received a 1.75% pay rise from 1 September 2019 and a further 1.25% rise from 1 April 2020 to reflect increases in the cost of living. These are the same rises that apply to all staff.

The Principal and the Vice Principal – Curriculum received a performance related, non-consolidated, bonus of 5% of salary based on their performance in 2018/19 in recognition of their exemplary performances in the roles during the 2018-19 academic year.

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

	2020	2019
Principal's salary as a multiple of the median of all staff	4.0	3.9

Notes to the Financial Statements

9 Other Operating Expenses

	2020	2019
	£'000	£'000
Teaching departments	556	651
Non-teaching costs	1,085	1,181
Premises costs	1,007	859
Total	2,648	2,691

	2020	2018
	£'000	£'000
Other operating expenses include:		
Auditors' remuneration:		
External audit	22	18
Internal audit	18	18
Other services from internal audit	0	0
Other services from external audit	1	1

10 Interest Payable

	2020	2019
	£'000	£'000
On bank loans	5	20
Net interest on defined pension liability (note 20)	117	87
Total	122	107

Notes to the Financial Statements

11 Tangible Fixed Assets

	Freehold Land and Buildings	Equipment	Total
	£'000	£'000	£'000
Cost or valuation			
At 31 July 2019	17,249	1,958	19,207
Additions	0	318	318
At 31 July 2020	17,249	2,276	19,525
Depreciation			
At 31 July 2019	7,897	1,383	9,280
Charge for the year	368	170	538
At 31 July 2020	8,265	1,553	9,818
Net Book Value at 31 July 2020	8,984	723	9,707
Net Book Value at 31 July 2019	9,352	576	9,928

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 four 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 2019	59
Revaluation	-
Balance at 31 July 2020	<u>59</u>

The investment is in the Charities Official Investment Fund.

13 Trade and other receivables

	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year:		
Other debtors	7	10
Prepayments and accrued income	264	96
Total	<u>271</u>	<u>106</u>

14 Creditors: Amounts Falling Due Within One Year

	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
Bank loans and overdrafts	0	149
Trade creditors	18	104
PAYE/NIC	2	2
Deferred Capital Grants	130	136
Accruals and deferred income	546	778
Total	<u>696</u>	<u>1,169</u>

Included above within accruals are holiday pay accruals	132	136
---	------------	------------

15 Creditors: amounts falling due after one year

	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
Deferred Capital Grants	2,293	2,418
Total	<u>2,293</u>	<u>2,418</u>

Notes to the Financial Statements

16 Deferred Capital Grants included above

	2020 £'000	2019 £'000
Opening Balance	2,554	2,690
Released to income	(131)	(136)
Closing Balance	2,423	2,554

17 Borrowings

	2020 £'000	2019 £'000
Due within:		
One year	0	149
Total	0	149
Represented by Fixed Loan	0	149
	0	149

18 Contingent Liabilities

The effect of the McCloud/ Sargeant decision are reflected in the pension liabilities in note 20. A legal decision on Guaranteed Minimum Pensions is expected in 2020/21 which will have an impact on the liability, but no reliable estimate is currently available.

19 Cash and Cash Equivalents

	2019 £'000	Cash Flows £'000	2020 £'000
Cash and cash equivalents	1,974	(784)	1,190
Total	1,974	(784)	1,190

20 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.

Notes to the Financial Statements

20 Pension and similar obligations (continued)

Total pension scheme for the year

	2020	2019
	£'000	£'000
Teachers' Pension Scheme: Contributions paid	455	319
Local Government Pension Scheme:		
Contributions paid	330	233
Strain payments	0	32
FRS 102(28) Charge	348	555
Charge to the Statement of Comprehensive Income	678	820
Total Pension Cost for Year within staff costs	1,133	1,139

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 2016 and of the LGPS at 31 March 2016.

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.

Notes to the Financial Statements

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.

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 2016. 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 2019-20 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 £455,000 (2018/19: £319,000).

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 2020 were £439,000, of which employer's contributions totalled £330,000 and employees' contributions totalled £109,000. The agreed contribution rates for future years are 13.8% 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 2020	At 31 July 2019
Rate of CPI inflation	2.3	2.2
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions	2.4	2.3
Discount rate for liabilities	1.6	2.9

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 2020	At 31 July 2019
<i>Retiring today</i>		
Males	22.6	22.6
Females	25.1	25.7
<i>Retiring in 20 years</i>		
Males	24.2	24.8
Females	27.0	28.0

Sensitivity analysis

	At 31 July 2020	At 31 July 2019
	£'000	£'000
Discount rate +0.1% pa	280	161
Inflation +0.1% pa	(285)	(266)
Pay growth +1% pa	(26)	(35)
Mortality assumption – 1 year increase	(435)	(230)

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 2020 £'000	Value at 31 July 2019 £'000
Equities	4,330	4,722
Other Bonds	0	799
Property	585	727
Other	1,590	872
Cash/liquidity	379	145
Total Market Value of Assets	<u>6,884</u>	<u>7,265</u>
Actual return on plan assets		567

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

	2020 £'000	2019 £'000
Fair value of plan assets	6,884	7,265
Present value of plan liabilities	(14,355)	(12,145)
(Deficit) in the scheme	<u>(7,471)</u>	<u>(4,880)</u>

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

	2020 £'000	2019 £'000
Current Service Cost	616	478
Curtailments	60	116
Administrative Costs	12	18
Interest	105	69
	<u>793</u>	<u>681</u>

Notes to the Financial Statements

Amounts recognised in Other Comprehensive Income:

	2020	2019
	£'000	£'000
Return on pension plan assets	742	(157)
Experience (gains)/ losses on defined benefit obligations	1384	1,881
	<u>2,126</u>	<u>1,724</u>

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

	2020	2019
	£'000	£'000
Amounts included in staff costs:		
Current service cost	616	478
Total	<u>616</u>	<u>478</u>
Amounts included in investment income		
Net interest cost	(105)	(69)
Total	<u>(105)</u>	<u>(69)</u>

Notes to the Financial Statements

Amounts included in Other Comprehensive income	£'000	£'000
Re-Measurements	(2,126)	(1,724)
Total	(2,126)	(1,724)

Movement in net defined benefit (liability)/asset during year	£'000	£'000
Net defined (liability) in scheme at 1 August 2019	(4,880)	(2,514)
<i>Movement in year:</i>		
Current Service Cost	(616)	(478)
Past Service Cost	0	(194)
Employer contributions	330	233
Net interest on the liability	(105)	(69)
Curtailments	(60)	(116)
Admin expenses	(12)	(18)
Actuarial (loss)	(2,128)	(1,724)
Net defined (liability) in scheme at 31 July 2020	(7,471)	(4,880)

Changes in the present value of defined benefit obligations

	2020	2019
	£'000	£'000
Defined benefit obligations at start of period	12,145	9,223
<i>Movement in year:</i>		
Current Service Cost	616	478
Interest on pension liabilities	267	267
Contributions by scheme participants	109	110
Experience (gains)/losses on defined benefit obligations	1384	1,881
Past Service Cost	2	194
Curtailments	60	116
Estimated benefits paid	(228)	(124)
Defined benefit obligations at end of period	14,355	12,145

Notes to the Financial Statements

Fair value of plan assets at start of period	7,265	6,709
Interest on plan assets	162	198
Return on plan assets	(742)	157
Administrative expenses	(12)	(18)
Employer contributions	330	233
Contributions by Scheme participants	109	110
Estimated benefits paid	(228)	(124)
Fair value of plan assets at end of period	6,884	7,265

The estimated value of employer contributions for the year ended 31st July 2021 is £304,000.

21 Post Balance Sheet Events

There have been no post Balance Sheet events

22 Lease obligations

	2020	2019
	£'000	£'000
<i>Other</i>		
Not later than one year	80	72
Later than one year and not later than five years	131	144
Total lease payments due	211	216

23 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.

24 Related Party Transactions

Due to the nature of the College's operations and the composition of the board of governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving organisations in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2019: None).

Notes to the Financial Statements

25 Amounts disbursed as agent

Learner support funds	2020	2019
	£'000	£'000
Funding body grants	389	283
Administration fee	(15)	(15)
	<u>374</u>	<u>268</u>
Disbursed to students	(323)	(265)
Balance at 31 July	<u>51</u>	<u>3</u>

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 2020/21.