St John Rigby College

Report and Financial Statements

for the year ended 31 July 2021

Reference and Administrative Details

Key management personnel

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

Peter McGhee Principal and CEO; Accounting Officer
Nicola Craven Vice Principal Curriculum and Quality
Dominic Jones Vice Principal Staffing and Resources
Paula Nolan Vice Principal Students

Board of Governors

A full list of Governors is given on page 14 and 15 of these financial statements.

Mr D Fletcher acted as Clerk to the Corporation throughout the period.

Professional advisers

External auditors:

Beever and Struthers
St George's House
215 – 219 Chester Road
Manchester
M15 4JE

Bankers:

Barclays Bank
1st Floor
Hardman Street
Spinningfields
Manchester
M3 3HF

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Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES:

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

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting St John Rigby College (SJR). The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

All land and buildings used by the College are in the ownership of the Trustees of the Roman Catholic Archdiocese of Liverpool who appoint the majority of the governing body (foundation governors).

College Vision

To be an outstanding, inclusive Catholic sixth form college; valuing the individual, celebrating learning and raising aspirations.

College Mission

We are a Catholic College dedicated to the education and development of the whole person and supporting all students to realise their full potential. As an outstanding learning organisation SJR will have a strong sense of purpose and a commitment to shared values within a Christian community. We will establish a unique, safe and challenging environment where every individual is valued, talents are recognised and nurtured, achievements are celebrated and dedication is rewarded. To achieve this as a community we will:

- Welcome all students who are happy to be educated within a Christian environment
- Value the uniqueness and dignity of each individual
- Deliver the highest standards of teaching and learning
- All show a commitment to our work, to the Christian values of the College and to the safety of all in our community
- Provide equality of opportunity, with mutual respect and positive encouragement
- Build and further develop local, national and international partnerships

Core values in daily life at St John Rigby College are expressed as:

- Genuine concern for others
- Support for and challenge of one another
- High standards and expectations
- Consistency and perseverance
- Recognition of talents, progress and achievements

Impact of Covid-19

The College had to close to students in January 2021 in response to Covid-19 infections, as it had done so in March 2020. The College responded to this closure by offering 'online' lessons to students, ensuring contact and support was maintained with students and a thorough approach to Centre Assessed Grades ensured there was demonstrable support for its students.

The College quickly set up all of its key administrative functions, e.g. Finance, Human Resources, MIS, IT and Premises. Leadership was provided by the Senior Leadership Team meeting regularly virtually.

Public Benefit

St John Rigby College is an exempt charity under the 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 charity, are disclosed on page 14 and 15.

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 of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

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

- High-quality teaching to 1,524 students including 60 with High Needs.
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.
- Links with Local Enterprise Partnerships (LEPs)

Development and Performance

Implementation of strategic plan

In July 2020 the College updated the strategic plan, this includes property and financial plans. The Corporation monitors the performance of the College against these plans. The plans are reviewed and updated each year. The College's continuing strategic objectives are to:

1. To embed a learning culture which improves the standards of student achievement, raises aspirations and promotes excellence across the full range of the College curriculum. We will focus on three key areas of outcomes for learners:

   1.1 *Improving the consistency of outcomes across all courses*

   1.2 *Raising student success rates and challenging all courses to exceed Sixth Form College national benchmarks*

   1.3 *Continuing to improve the proportion of students achieving high grades and achieving a positive value added score for all courses*

2. To widen student participation, in partnership with other providers, through the offer of a comprehensive range of high quality courses that meet the needs of our students and support developments and provision within partner high schools.
3. To work collaboratively with groups within the College's local and extended community.
4. To further develop the estate to provide an outstanding learning environment for the whole College community.
5. To sustain a culture where all staff are committed to SJR's core values, where continuous professional development is encouraged and organisational efficiency and effectiveness are achieved.

6. To maintain the College's financial stability in order to implement the College Development Plan.

Financial objectives

The College's financial objectives are:

To maintain the College's financial stability in order to implement the College Development Plan.

Financial Objectives

1. Each year the College will set targets to ensure that the college will continue to provide a sound financial base by;
    a. Agreeing and generating an operating surplus each financial year.
    b. Agreeing and achieving a positive operating cash flow each year.
    c. Agreeing and continuing to have a positive net current asset.

2. The College will enhance the understanding of finance by;
    a. Developing detailed Management Accounts for governors and the senior leadership team.
    b. Ensuring finance is regularly reviewed by the senior leadership team.
    c. Ensuring timely monthly management accounts that report on the following;
        i. Income and Expenditure Accounts
        ii. Balance Sheet
        iii. Rolling cash flow forecasts
        iv. Capital expenditure
        v. Bursary Account
        vi. Key Performance Indicators
        vii. Bank Covenants
        viii. Detailed Commentary
    d. Providing and developing financial reports for budget holders.
    e. Reviewing and developing the college's financial systems.

3. Finance will support the development of the College by;
    a. Producing detailed financial plans and options for the Corporation to consider throughout the Academisation Process.
    b. Engaging with the funding bodies and lenders to progress the academisation process.

4. The College will maintain the confidence of funding bodies, suppliers and professional advisors by:
    a. Providing financial returns on time.
    b. Ensuring all returns that require certification by auditors are unqualified.
    c. Paying suppliers within a 3 week cycle.

5. Raise awareness of financial issues by:
    a. Providing advice and guidance to the Senior Leadership Team and Governors on the financial processes, procedures and budgeting of the college.
    b. Provide adequate and timely financial information to ensure that staff, management and governors are aware of the financial position of the college.

Performance indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The College is assessed by the Education and Skills Funding Agency as "Good" financial health grading. The current rating of Good is considered an acceptable outcome.

Financial Targets 2020-2021	Measure/Target 2020/21	Actual for 2020/21
Operating Surplus for the year (excluding Pension)	£272k	£299k
Increasing the cash reserves	£175k	£250k
Generating a positive net current assets position – before the Holiday Pay Accrual and the short term deferred capital grants.	1.8	2.07

FINANCIAL POSITION

Financial results

The College generated a deficit before other gains and losses in the year of £213,000 (2019/20 – deficit of £165,000), with total comprehensive deficit of £125,000 (2019/20 – deficit £966,000).

The College has accumulated reserves of £236,000 and cash balances of £954,000. The College wishes to continue to accumulate reserves and cash balances in order to create a contingency fund.

Tangible fixed asset additions during the year amounted to £275,000. This was split between computer equipment of £166,000, other equipment purchased of £93,000. On the 28th July 2021 the ESFA approved the College's proposal to construct a T Level Building, the preliminary costs associated with this project of £16,000 are shown in Assets under construction.

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

The College has been marginally affected financially by the pandemic and although there was a reduction of direct income there was also a reduction in direct costs which ensured the College was able to deliver an operating surplus for the year. The College's support staff pension scheme net liability increased by £359k, this is mainly to the economic uncertainty caused by the pandemic and the continuing uncertainty of Brexit on the United Kingdom economy.

The ESFA granted the College an Urgent Capital Support Loan of £127k to complete an upgrade to its electrical power supply. This loan is repayable over 10 years with a fixed interest rate of 2.99%.

Financial plan

The college governors approved a financial plan in July 2021 which sets objectives for the period to 2023. The college aimed to improve its health rating of 'Good' and this was achieved a generating an operating surplus in the year to 31 July 2022 and the ESFA wrote to the College in October 2021 to confirm this assessment.

The College continuously reviews its curriculum to ensure it meets the needs of its community. In September 2022 the College will be offering T Levels in Business, health and IT. This will allow the College to meet its future growth targets and secure its ESFA income.

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 incorporates its treasury management policy within its Financial Regulations.

The College currently banks with Barclays Bank plc. All Current Account funds are placed with them so that there are no risks to the College. Surplus funds are transferred automatically via an end of day facility into a Business Premium Account (BPA) which attracts a higher rate, albeit low, rate of interest. Funds are transferred automatically to and from this BPA Account and the College's current account leaving a constant end of day balance of £20,000 in the College's current account.

All borrowings require the authorisation of the Corporation and comply with the requirements of the Financial Memorandum agreed with the ESFA. The College has two loans, one with Barclays Bank Plc, which was taken out in 2005 and another loan was taken out in August 2020 with the ESFA to support the upgrading of the College's electrical systems.

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future but that it must reduce its cost base in line with known reductions in College income to ensure this. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Cash flows and liquidity

At £570,000 (2019/20 £527,000), net cash flow from operating activities was positive.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure that there is sufficient headroom between the total cost of servicing debt and operating cashflow. During the year this margin was comfortably exceeded.

A loan with the ESFA was taken out on 1st August 2020, repayable over 10 years with a 2.99% fixed interest rate charge.

Reserves Policy

The college has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the college's core activities. The college reserves include £nil (2020: £nil) held as restricted reserves. As at the balance sheet date the Income and Expenditure reserve stands at £236k (2020: £361k). It is the corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

College Context

The College's core business is meeting the educational needs of 16-19 students in Wigan and surrounding areas. The College has a culture of high aspiration and expectation and seeks to reach the highest standards of student outcomes. The College is committed to a culture of improvement and an open and consultative management style is employed. Self-Assessment has played a major role in helping us to identify strengths and areas for improvement. There is a commitment to supporting staff development. The College was inspected by OFSTED in February 2017 and was awarded outstanding in every category. We are one of only four SFCs to be judged outstanding under the new inspection framework. The summary grades achieved were:

Overall Effectiveness	**Outstanding-1**
Outcomes for Learners	Outstanding-1
Quality of Teaching, Learning and Assessment	Outstanding-1
Personal development, behaviour and welfare	Outstanding-1
Effectiveness of Leadership and Management	Outstanding-1
16-19 Study programmes	Outstanding-1

The College continues to seek new areas of educational activity without wishing to compromise its distinctive role and character as a sixth form college. It wishes to further develop its well-established reputation for concern for the welfare and fulfilment of each individual. It is seeking to provide a range of quality courses to meet the needs of students and to raise achievement. The College deliberately aims to build up a range of cost-effective courses at all levels in order to meet the needs of local students and wishes to retain and develop the comprehensive range of provision.

Student Body

While student numbers have continued strong growth to 2019-20 with a particularly strong recruitment in September 2018. In September 2020 recruitment matched that in 2019, but this has led to a reduction in student numbers to 1524 for 2020-21.

Year	Number
2012-13	1221
2013-14	1379
2014-15	1438
2015-16	1383
2016-17	1438
2017-18	1379
2018-19	1455
2019-20	1579
2020-21	1524

In 2020-21, the vast majority of students followed level 3 programmes (A-level, BTEC or mixed A-level/BTEC) programmes. 62 students followed a level 2 programme (BTEC plus GCSEs in English, Mathematics or Science) and a small cohort of 19 students, followed a Foundation, Entry level programme or Supported Internship.

Curriculum

There is a broad and inclusive curriculum comprising academic A-level subjects as well as vocational options. The College continues to develop its curriculum and aims to establish a clear distinctive niche. This involves maintaining a majority of Advanced Level courses while developing clear curriculum pathways in vocational areas from Level 1 to Level 3. The successful Elective Programme continues to grow and attract students to a broad range of careers-based pathways including:

- Aspiring Artists
- Future Entrepreneurs
- Future Medics
- Future Vets
- Future Dentists
- Future Lawyers
- Future Officers
- Future Engineers
- Future Scientists
- Future Sports Therapists
- Future Psychologists

All students follow the College's non-certificated Values for Living Programme (VFL). The VFL programme is integral in the development of students' understanding of religious beliefs, ethics, British Values and the delivery of the College's anti-radicalisation and extremism agenda.

The College worked hard and successfully to mitigate the impact of the Covid pandemic and the lockdown from late January to March.

Extra-curricular

The College continues to provide an extensive range of cross-College and curriculum based extended (enrichment) studies. The range and organisation of these activities has been shaped by feedback from Learner Voice. Student feedback has resulted in a flexible approach with students being able to join activities throughout the year with "staggered" provision e.g. Duke of Edinburgh Award, An Introduction to Yoga, Film Club, Latin for Beginners, British Sign Language, a large and highly successful College production and the student run "open-mic" Thursday music and performing arts lunchtime concerts. A range of Sports-Maker organised activities remain popular. The College values learning outside of the classroom and supports a number of curriculum trips and visits.

The majority of Year 13 students progress to Higher Education. A small but growing number of students progress to apprenticeships whilst another cohort of students progressed to employment. The College supports progression by complementing its curriculum with opportunities for work experience. A large number of curriculum-based visits and visiting speakers take place to illustrate subject applications in the 'real' world and there is an equal emphasis on employment and apprenticeship opportunities as well as progression to HE within the careers guidance that students receive.

Student Achievement

Overall pass rates for students at College continue to compare well with national benchmark data and showed a slight improvement in August 2021. Value added data (ALPS and Nick Allen) shows continued outstanding progress from students' starting points. Value added performance for Level 3 Vocational qualifications remains outstanding. The College's inclusive curriculum offer enables students the opportunity to study courses they otherwise may not have be afforded in the local area.

GCSE and BTEC level 2 provision in College continues to be outstanding. High grade pass rates for BTEC and GCSE 9 - 4 achievement far exceed national and sector benchmarks.

Trade union facility time

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

Numbers of employees who were relevant period	FTE employee number
2	1.5

Percentage of time	Number of employees
0%	None
1-50%	2
51-99%	None
100%	None

Total cost of facility time	£4,366
Total pay bill	£6,148,333
Percentage of total bill spent on facility time	0.07%

Time spent on paid trade union activities as a percentage of total paid facility time	Not Applicable

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2020 to 31 July 2021, the College endeavoured to pay all of its invoices within 30 days. Actual Performance data relating to this target is not extractable from the College's accounting system software. The College incurred no interest charges in respect of late payment for this period.

Events after the end of the reporting period

There have been no significant events after the end of the reporting period.
With regard to the improved capacity provided by the new building on main site, the College seeks to increase student numbers over the next three years.
The College aims to increase contribution by continuing to rigorously plan its resources closely to its curriculum plan.

Government funding

The College has considerable reliance on continued government funding through the further education sector funding bodies. In 2020/21, 95% of the College's revenue was ultimately publicly funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
The College is aware of several issues which may impact on future funding:

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the College is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- Regular dialogue with funding bodies

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, St John Rigby College has many stakeholders. These include:

- Students;
- Education and Skills Funding Agency;
- Further Education Commissioner;
- Staff;
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- 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 and by meetings.

Equality and Diversity

St John Rigby College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy is published on the College's Intranet site.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has achieved accreditation to the Committed to Equality (C2E) standard at the gold (highest) level. The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

RESOURCES:

The College has various resources that it can deploy in pursuit of its strategic objectives.
Tangible resources include the main college site.

Financial

The College has £236,000 of net assets and long-term bank debt of £459,000.

People

The College employs 128 people (expressed as full time equivalents), of whom 71 are teaching staff.

Reputation

The College has a good reputation locally and regionally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

GOING CONCERN

The financial performance of the College has been a key consideration for the governors due to the strains of Covid-19 and the additional control measures put in place has had and will have on finances and operations.

The College has produced detailed financial plans including long range cash flows for the period to July 2023 to ensure that it can meet these additional demands placed upon it by Covid-19. Key amongst the information produced was assurance that the College would meet its bank covenants with Barclays Bank and it would maintain its 'Good' financial health assessment throughout this period.

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 and financial stability.

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 each meeting by the Audit Committee. 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.

Outlined below is 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.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010:

a) As part of its accommodation strategy the College updated its access audit. Experts in this field conducted a full access audit during 2018/19, and the results of this formed the basis of funding capital projects aimed at improving access.
b) The College has appointed an Access Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.
c) There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
d) 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 policy.
e) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
f) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
g) Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 16 December 2021 and signed on its behalf by:

Mr J F Lumb

Chair

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. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
ii. having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the further education sector.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2021. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015.

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

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below.

Name	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance
Mrs P Catherall	*5 July 2012; reappointed Oct 2019*	*4 years*		*Foundation*	*Finance and Resources*	*75%*
Mr P Collier	*8 December 2013; reappointed October 2019*	*4 years*		*Foundation*	*Finance and Resources*	*75%*
Mr S Dale	*6 February 2006; reappointed October 2019*	*4 years*		*Foundation*	*Chair: Finance and Resources, Quality and Standards, Remuneration*	*100%*
Mrs L Daley	*October 2021*	*4 years*		*Staff Governor*	*Audit*	*87.5%*
Mr M Higgins	*8 December 2012; reappointed July 17*	*4 years*		*Foundation*	*Audit*	*87.5%*

Name	*Date of Appointment*	*Term of office*	*Date of resignation*	*Status of appointment*	*Committees served*	*Attendance*
Mr M Lally	*December 2017: reappointed October 2020*	*2 years*		*Parent Governor*	*Quality & Standards*	*87.5%*
Mr J Lumb	*reappointed October 2019*	*4 years*		*Foundation – Chair*	*Quality and Standards, Finance and Resources, Remuneration,*	*87.5%*
Dr C Morgan	*13 December 2004; reappointed October 2019*	*4 years*		*Foundation*	*Audit*	*87.5%*
Mr P McGhee	*5 July 2010; reappointed October 2019*	*4 years*		*Principal*	*Finance and Resources, Quality and Standards*	*100%*
Mr P McGuire	*7 July 2016: reappointed October 2020*	*4 years*	*July 2021*	*Foundation*	*Audit; Quality and Standards*	*100%*
Fr. Philip	*October 2020*	*2 years*		*Link Governor*	*Full Governors*	*25%*
Mr P Phillips	*3 October 2010; reappointed October 2019*	*4 years*		*Foundation*	*Chair: Quality and Standards, Remuneration*	*100%*
Mr W Powell	*December 2020*	*2 years*		*Student*	*Quality & Standards*	*66.6%*
Mrs T Richardson	*4 July 2014, reappointed October 2019*	*4 years*		*Foundation*	*Quality and Standards, Finance and Resources*	*78%*
Mrs S Ryder	*December 2017: reappointed October 20*	*2 years*	*September 2021*	*Staff Governor*	*Quality and Standards*	*87.5%*
Mrs P Tate	*19 September 2011; reappointed July17*	*4 years*		*Foundation*	*Audit (Chair), Quality and Standards, Remuneration*	*91.6%*
Mrs A White	*October 2021*	*2 years*		*Co-opted*	*Quality & Standards*	*100%*
Mr D Fletcher acts as Clerk to the Corporation.						

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with 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 each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are finance and resources, remuneration, quality and standards and audit. Full minutes of all meetings, except those deemed to be confidential, are available on the College's website at sjr.ac.uk or from the Clerk to the Corporation at:

St John Rigby College
Gathurst Road
Orrell
WN5 0LJ

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

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. 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 provided on an ad hoc basis.

The governors were able to meet from March 2020 virtually and have been able to uphold all their duties set out in this governance statement.

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a search committee, consisting of three members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation 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 exceeding four years.

Remuneration Committee

Throughout the year ending 31 July 2021 the College's Remuneration Committee comprised three members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2021 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises four members of the Corporation (excluding the Accounting Officer and Chair of Governors). The Corporation operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets four times per year and provides a forum for reporting by the College's financial statements 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.

Management is responsible for the implementation of agreed audit recommendations and undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

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

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

Committee member	Meetings attended
Mr M Higgins	4
Dr C Morgan	4
Mr P McGuire	4
Mrs P Tate	4

Internal control

Scope of responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between St John Rigby College and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St John Rigby College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines

- the adoption of formal project management disciplines, where appropriate.

St John Rigby College has not appointed an internal audit service for the year ended 31 July 2021. For that year, the College management and Governors have assessed the internal controls and developed a Board Assurance Framework, clearly showing the mapping of assurance sources against the risks identified.

The College analysed the risks to which it was exposed and a programme of assurance was agreed with the Audit Committee. The Committee was provided with regular reports on this assurance activity in the College which includes Health & Safety.

Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the college has effective internal controls in place.

Review of effectiveness

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

- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance in their management letters and other reports.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and taking account of events since 31 July 2021.

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

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 16 December 2021 and signed on its behalf by:

Mr P McGhee	**MR J F Lumb**
Accounting Officer	**Chair**
Date: 16 December 2021	**Date: 16 December 2021**

Corporation's statement on 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 grant funding agreement and contracts with ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with ESFA or any other public funder.

We confirm on behalf of the Corporation, that after due enquiry, and to the best of our 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 grant funding agreements and contract with ESFA or any other public funder.

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 notified to the Education and Skills Funding Agency.

Mr P McGhee
Accounting Officer
Date: 16 December 2021

Mr J F Lumb
Chair
Date: 16 December 2021

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the college's grant funding agreements and contracts with ESFA, the Corporation – through its accounting officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the 2019 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 apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

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

The Corporation is responsible for the maintenance and integrity of 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 that 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 ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time. 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 ESFA are not put at risk.

Approved by order of the members of the Corporation on 16 December 2021 and signed on its behalf by:

Mr J F Lumb
Chair

Independent auditor's report to the Members of the Corporation of St John Rigby College

Opinion

We have audited the financial statements of St John Rigby College ("the College") for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income and expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom generally accepted accounting practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of the College's deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, college accounts direction 2020 to 2021 issued by the ESFA and the 2019 Statement of Recommended Practice.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The members 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.

Report on Other Legal and Regulatory Requirements

We are required to report on the following matters by the Office for Students' Accounts Direction.

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and

- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Matters on which we are required to report by exception

Under the Post-16 Audit Code of Practice 2020-2021 issued by the Education and Skills Funding Agency we are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Responsibilities of Board of Governors

As explained more fully in the Statement of Responsibilities of Members of the Board set out on page 20, the Board of 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 Board of 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 Board of 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 Board of 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the Further Education sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the financial statements were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of the audit report

This report is made solely to the College's members, as a body, in accordance with our engagement letter dated 7 July 2021. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Chartered Accountants and Statutory Auditor
St George's House
215 – 219 Chester Road
Manchester
M15 4JE

Date 16 December 2021

To: The Corporation of St John Rigby College and Secretary of State for Education acting through Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 7 July 2021 and further to the requirements of funding agreement with the Education and Skills Funding Agency 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 St John Rigby College during the period 1st August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the ESFA and in any relevant conditions. 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 St John Rigby 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 St John Rigby 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 St John Rigby College and the Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St John Rigby College and the reporting accountant

The Corporation of St John Rigby College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued jointly 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.

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

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- 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 framework of authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1st August 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed:

Beever and Struthers

Beever and Struthers
St George's House
215 – 219 Chester Road
Manchester
M15 4JE

Date 16 December 2021

Statement of Comprehensive Income and Expenditure

	Notes	2021	2020
		College	College
		£000's	£000's
INCOME			
Funding body grants	2	7,974	7,415
Tuition fees and education contracts	3	292	315
Other income	4	122	186
Investment income	5	-	3
Total income		**8,388**	**7,919**
EXPENDITURE			
Staff costs	6	6,761	6,227
Other operating expenses	7	1,371	1,411
Depreciation	10	376	349
Interest and other finance costs	8	93	97
Total expenditure		**8,601**	**8,084**
Deficit before other gains and losses		**(213)**	**(165)**
Actuarial gains/(loss) in respect of pension schemes	18	88	(801)
Total Comprehensive Loss for the year		**(125)**	**(966)**
Represented by:			
Unrestricted comprehensive income		(125)	(966)
		(125)	**(966)**

The statement of comprehensive income is in respect of continuing activities.

The notes on pages 27 to 45 form part of these financial statements.

Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£000's	£000's	£000's
Balance at 1 August 2019	(619)	1,946	1,327
Deficit from the income and expenditure account	(165)77	-	(165)
Other comprehensive income	(801)	-	(801)
Transfers between revaluation and income and expenditure reserves	65	-	65
Balance at 31 July 2020	(1,520)	1,881	361
Deficit from the income and expenditure account	(213)	-	(213)
Other comprehensive income	88	-	88
Transfers between revaluation and income and expenditure reserves	65	(65)	-
Total comprehensive income for the year	(60)	(65)	(125)
Balance at 31 July 2021	(1,580)	1,816	236

The notes on pages 31 to 45 form part of these financial statements.

Balance sheet as at 31 July

	Notes	2021 £000's	2020 £000's
Non current assets			
Tangible Fixed assets	10	7,514	7,615
		7,514	**7,615**
Current assets			
Trade and other receivables	11	162	146
Cash and cash equivalents	15	954	704
		1,116	**850**
Less: Creditors – amounts falling due within one year	12	(874)	(580)
Net current assets		**242**	**270**
Total assets less current liabilities		**7,756**	**7,885**
Creditors – amounts falling due after more than one year	13	(3,600)	(3,963)
Provisions			
Defined benefit obligations	18	(3,920)	(3,561)
Total net assets		**236**	**361**
Unrestricted Reserves			
Income and expenditure account		(1,580)	(1,520)
Revaluation reserve		1,816	1,881
Total unrestricted reserves		**236**	**361**

The financial statements on pages 27 to 45 were approved and authorised for issue by the Corporation on 16 December 2021 and were signed on its behalf on that date by:

Mr J F Lumb

Chair

Mr P McGhee

Accounting Officer

Statement of Cash Flows

	Notes	2021 £000's	2020 £000's
Cash flow from operating activities			
Deficit for the year		(213)	(165)
Adjustment for non-cash items			
Depreciation		376	349
(Increase)/decrease in debtors		(16)	196
(Decrease)/increase in creditors due within one year		294	(439)
(Decrease)/increase in creditors due after one year		(353)	173
Pensions costs less contributions payable		394	319
Adjustment for investing or financing activities			
Investment income		-	(2)
Interest payable		93	97
Net cash flow from operating activities		575	527
Cash flows from investing activities			
Investment income		-	3
Payments made to acquire fixed assets		(275)	(163)
		(275)	(160)
Cash flows from financing activities			
Interest paid		(40)	(44)
Repayments of amounts borrowed		(138)	(122)
ESFA Urgent capital support loan		128	-
		(50)	(166)
Increase in cash and cash equivalents in the year		**250**	**201**
Cash and cash equivalents at beginning of the year	15	704	503
Cash and cash equivalents at end of the year	15	954	704
Movement in cash in year		**250**	**201**

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The College recognises that there is a material uncertainty regarding going concern.

The College currently has £0.6m of loans outstanding with Barclays Bank on terms negotiated in 2005 and a loan with the ESFA of £0.1m. 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.

As at 31 July 2021 the College had net current assets of £242k. This includes a £213k holiday pay accrual and £120k deferred income from Government capital grants in line with the requirements of FRS102. The holiday pay accrual will be released as part of the normal salary payment in August and the capital grant release to income over the life of the assets so these do not affect the cashflows of the College. Both of these transactions recur annually.

Accordingly, the College has a reasonable expectation, with no material uncertainty, 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.

The College has produced rigorous long-term financial plans together with detailed cash flow forecasts to ensure it can meet the challenges of Covid-19. These plans have been scrutinised by the governing body and ensure that the College can meet its liabilities and bank covenants during the period of this forecast.

Recognition of income

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

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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

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

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. 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.

Greater Manchester Pension Fund (GMPF)

The GMPF is a funded scheme. The assets of the GMPF are measured using closing fair values. GMPF 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 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 the staff costs as incurred.

Net interest of the net defined benefit liability is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income.

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

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

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- Buildings – 40 years
- Refurbishments – 10 years

Freehold land is not depreciated.

Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 40 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.

All land and College buildings belong to the Liverpool Diocese Trustees and they remain the property of the Liverpool Diocese. The agreement operates under a Trust Deed between the College and the Diocese. No rent is paid by the College for the use of these facilities. On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, as deemed cost but not to adopt a policy of revaluation of these land and buildings in the future.

If the land and buildings belonging to the Diocese had not been valued they would have been included within the College's accounts at £Nil cost. Expenditure on these buildings of a capital natures is capitalised by the College and included in the accounts at cost subject to depreciation being charged in accordance with the College's accounting policy.

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, which were revalued in 1996 as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £500 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- Computers 3 years
- Equipment 5 years

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Financial liabilities and equity

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

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Provisions and contingent liabilities

Provisions are recognised when

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

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

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

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

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- 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 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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding body grants

	2021 College £000's	2020 College £000's
Recurrent grants		
Education and Skills Funding Agency	7,307	6,847
Advanced Maths Premium	32	23
High Value Courses Premium	111	
Specific grants		
Release of deferred capital grant	120	127
Release of revenue grants	39	36
Teachers' Pension Grant	244	221
Nations Leaders in Further Education	10	60
ESFA – Tuition Fund	27	-
Free college meals	84	101
Total	**7,974**	**7,415**

3 Tuition fees and education contracts

	2021 College £000's	2020 College £000's
LEA Education contracts	292	315
Total	**292**	**315**

4 Other income

	2021 College £000's	2020 College £000's
Catering and residences	-	15
Other income generating activities	1	12
Miscellaneous income	121	159
Total	**122**	**186**

5 Investment income

	2021 College £000's	2020 College £000's
Interest receivable	-	3
Total	**-**	**3**

6 Staff costs

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

	2021 No.	2020 No.
Teaching staff	71	72
Non-teaching staff	57	55
	128	**127**

Staff costs for the above persons

	2021 £000's	2020 £000's
Wages and salaries	4,791	4,480
Social security costs	418	375
Other pension costs	1,007	883
Defined benefit pension charges	394	319
Payroll sub total	**6,610**	**6,057**
Contracted out staffing services	88	157
	6,698	**6,214**
Restructuring costs – Non Contractual	63	13
Total Staff costs	**6,761**	**6,227**

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

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 Principal Staffing and Resources, Vice Principal Curriculum and Quality and the Vice Principal Students.

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

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	4	3

Key management personnel

	2021	2020
	No.	No.
£55,001 to £60,000 p.a.	-	1
£65,001 to £70,000 p.a.	1	1
£70,001 to £75,000 p.a.	1	1
£75,001 to £80,000 p.a.	1	-
£115,001 to £120,000 p.a.	1	-

Key management personnel compensation is made up as follows:

	2021	2020
	£000's	£000's
Salaries	336	200
Pension Contributions	78	39
Key management personnel compensation	414	239

The above compensation includes amounts paid to the Principal and Chief Executive who is the accounting officer.

In the year ended the 31st July 2020, the Principal also worked for Loreto College for 60% of his working time until the 30 May 2020 and then worked full time at the College . The amounts shown for 2020 represents the pay for the Vice Deputy (Curriculum and Resources) who was the highest paid member of staff. Their pay and remuneration is as follows:

	2021	2020
	£000's	000's
Salary	119	73
Pension Contributions	28	13
	147	86

The governing body adopted the AoC's Senior Staff Remuneration Code in July 2019 and assessed pay in line with its principals.

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

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

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

	2021	2020
Principals' basic salary as a multiple of the median of all staff (expressed as a full time member of staff for 2020)	3.63	3.84
Principals and CEO's total remuneration as a multiple of median of all staff	3.86	4.55

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.

7 Other operating expenses

	2021 College £000's	2020 College £000's
Teaching Departments	124	134
Teaching Support Services	24	14
Other Support Services	249	142
Administration and Central Services	390	386
General Education Expenditure	204	288
Premises costs – Running Costs	168	204
Premises Costs – Maintenance	124	141
Cost of Free meals	88	101
Catering	-	1
Total	**1,371**	**1,411**

	£000's	£000's
Auditors' remuneration:		
Financial statements audit	17	20
Teachers' Pension Audit	1	1
Depreciation	376	349

8 Interest Payable

	2021 £000's	2020 £000's
On bank and ESFA loans	40	44
Pension Finance Cost	53	53
Total	93	97

9 Taxation

The governors do not believe that the College was liable for any Corporation Tax arising out of its activities during either year.

10 Fixed Assets

	Land and buildings	Computers	Other Equipment	Assets under Construction	Total
	£000's	£000's	£000's	£000's	£000's
Cost or valuation					
At 1 August 2020	10,365	726	1420	-	12,511
Additions	-	166	93	16	275
At 31 July 2021	**10,365**	**892**	**1,513**	**16**	**12,786**
Depreciation					
At 1 August 2020	3,147	664	1,085	-	4,896
Charge for the year	248	64	64	-	376
At 31 July 2021	**3,395**	**728**	**1,149**	-	**5,272**
Net book value at 31 July 2021	**6,970**	**164**	**364**	**16**	**7,514**
Net book value at 31 July 2020	**7218**	**62**	**335**	**-**	**7615**

The tangible fixed assets inherited from the local education authority on 1 April 1993 have been valued on a depreciated replacement cost basis by the College

The land and buildings belong to the Trustees, which are the Archdiocese of Liverpool. However, in accordance with guidance issued by the ESFA in conjunction with section 17 of FRS 102; Substance over legal form, the land and buildings have been included in these accounts at the valuation, carried out, on the 1 April 2001.

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

	£000's
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	**Nil**

11 Debtors

	College 2021 £000's	College 2020 £000's
Amounts falling due within one year:		
Trade receivables	8	45
Prepayments and accrued income	154	101
Total	**162**	**146**

12 Creditors: amounts falling due within one year

	College 2021 £000's	College 2020 £000's

Bank loans	122	122
ESFA – Urgent capital support loan	15	-
Other taxation and social security	107	110
Trade payables	185	135
Accruals and deferred income	316	208
Deferred Income -government capital grants	120	
Other	9	5
Total	**874**	**580**

13 Creditors: amounts falling due after one year

	College 2021 £000's	College 2020 £000's
Bank loans	459	582
ESFA – Urgent capital support loan	113	-
Deferred income - government capital grants	3,028	3,381
Total	**3,600**	**3,963**

14 Maturity of debt

	College 2021 £000's	College 2020 £000's
Bank Loans		
In one year or less	122	122
Between one and two years	122	122
Between two and five years	337	367
In five years or more	-	93
Total	**581**	**704**

Bank loans are charged interest at 5.65 per cent repayable by instalments falling due between 1 April 2005 and 31 July 2026 totalling £2,080,000.

15 Provisions

	Defined Benefit Obligations £000's	Total £000's
At 1 August 2020	(3,561)	(3,561)
Expenditure in the period	268	268
Additions in the period	(627)	(627)
At 31 July 2021	**(3,920)**	**(3,920)**

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. Further details are given in note 18.

16 Cash and cash equivalents

	At 1 August 2020	Cash flows	At 31 July 2021
	£000's	£000's	£000's
Cash and cash equivalents	704	250	954
Total	**704**	**250**	**954**

17 Events after the reporting period

There are no events after the reporting period.

18 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and Greater Manchester Pension Scheme (GMPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are multi-employer defined-benefit plans.

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

Total pension cost for the year		**2021**		**2020**
		£000		**£000**
Teachers' Pension Scheme: contributions paid		741		673
Local Government Pension Scheme:				
Contributions paid	266		210	
FRS 102 (28) charge	394		319	
Charge to the Statement of Comprehensive Income		660		532
Total Pension Cost for Year within staff costs		**1,401**		**1,20 2**

There were no outstanding pension contributions at the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. 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 2019. The valuation report was published by the Department for Education (the Department in April 2020. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

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

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

The pension costs paid to TPS in the year amounted to £1,036,000 (2020: £951,000)

Greater Manchester Pension Scheme

The Greater Manchester Pension Scheme is a funded defined-benefit plan, with the assets held in separate funds administered by Tameside Metropolitan Borough Council. The total contributions made for the year ended 31 July 2021 were £349,000, of which employer's contributions totalled £266,000 and employees' contributions totalled £83,000. The agreed contribution rates for future years are 20.0% for employers and range from 5.5% to 7.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2020 by a qualified independent actuary.

	At 31 July 2021	**At 31 July 2020**
Pension increases rate (CPI)	2.8%	2.1%
Salary increase rate	3.55%	2.9%
Discount rate	1.6%	1.4%

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

	At 31 July 2021	At 31 July 2020
	Years	Years
Retiring today		
Males	20.5	20.5
Females	23.3	23.1
Retiring in 20 years		
Males	21.9	22.0
Females	25.3	25.0

The College's share of the assets in the plan at the balance sheet date and their estimated were:

	Estimated split of plan assets at 31 July 2021	**Fair Value at 31 July 2021 £000's**	**Estimated split of plan assets at 31 July 2020**	**Fair Value at 31 July 2020 £000's**
Equity instruments	71%	6,037	67%	4,561
Debt instruments	15%	1,275	18%	1,225
Property	6%	511	7%	476
Cash	8%	680	8%	545
Total fair value of plan assets		**8,503**		**6,807**
Actual return on plan assets		**97**		**154**

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

	2021 £000's	**2020 £000's**
Fair value of plan assets	8,503	6,807
Present value of plan liabilities	(12,415)	(10,360)
Present value of unfunded liabilities	(8)	(8)
Net pensions liability	**(3,920)**	**(3,561)**

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

	2021 £000's	**2020 £000's**
Amounts included in staff costs		
Current service cost	(662)	(531)
Total	**(662)**	**(531)**

Amounts included in investment income

Net interest charge	(53)	(53)
	(53)	**(53)**

Amount recognised in Other Comprehensive Income

Return on assets excluding amounts included in net interest	1,340	(750)
Changes in assumptions underlying the present value of plan liabilities	(1,252)	(51)
Amount recognised in Other Comprehensive Income	**88**	**(801)**

Movement in net defined benefit liability during year

Net defined benefit liability in scheme at 1 August	(3,561)	(2,388)
Movement in year:		
Current service cost	(662)	(531)
Employer contributions	268	221
Net interest on the defined (liability)/asset	(53)	(53)
Actuarial gain or loss	88	(801)
Net defined benefit liability at 31 July	**(3,920)**	**(3,561)**

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

Defined benefit obligations at start of period	10,368	9,602
Current service cost	662	531
Past service cost (including curtailments)	-	-
Interest cost	150	207
Contributions by Scheme participants	82	70
Experience gains and losses on defined benefit obligations		
Changes in financial assumptions	1,252	51
Estimated benefits paid	(91)	(93)
Defined benefit obligations at end of period	**12,423**	**10,368**

Changes in fair value of plan assets

Fair value of plan assets at start of period	6,807	7,214
Interest on plan assets	97	154
Return on assets excluding amounts included in net interest	1,340	(750)
Employer contributions	268	210
Contributions by Scheme participants	82	71
Estimated benefits paid	(91)	(92)
Fair value of plan assets at end of period	**8,503**	**6,807**

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.

19 Related party transactions

Owing 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 such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £nil (2020: £517; 1 governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

As stated in Note 6, in the year ended the 31st July 2020, the Principal and Chief Executive also worked for Loreto College for 60% of his working time. The Principal was paid by each college for the time worked by him and there were no other charges in relation to his duties between the colleges

No Governor has received any remuneration or waived payments from the College during the year (2020: None).

20 Amounts disbursed as agent

	2021 £000's	2020 £000's
Balance unspent brought forward	20	119
Funding body grants	113	119
	133	238
Disbursed to students	(119)	(207)
Administration costs	-	(11)
Balance unspent as at 31 July, included in creditors	14	20

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.

Where the College receives income for students on 'Free meals' it acts as the principal, therefore the funding body income the college receives for 'free meals' is included in the Statement of Comprehensive income.