

Report and Financial Statements

31 July 2022



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

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as the members of the Corporation including the members of the College Senior Leadership Team and the latter of which were represented by the following in 2021/22:

David Vasse – Principal and Accounting Officer

Holly Bembridge – Vice Principal - Curriculum

James Gould – Vice Principal – Student Services and Recruitment

David Ball – Senior Director of Finance and Resources

Board of Governors

A full list of Governors is given on page 21 of these financial statements. Mr R Smith acted as Clerk to the Corporation until 31 January 2022, from that date Mr J Kirk was the interim clerk.

Professional advisers

Financial statements auditors and reporting accountants:

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

Internal auditors:

Scrutton Bland
Fitzroy House, Crown Street ,
Ipswich ,
Suffolk ,
IP1 3LG

Bankers:

Lloyds Bank PLC
Gresham Street
London
EC2V 7HN

Solicitors:

Birketts
22 Station Road
Cambridge
CB1 2JD

Insurance

Zurich Municipal
2 Gladiator Way
Farnborough
GU14 6GB

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Strategic Report

OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2022.

Legal status

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

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

Mission

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

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

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

Monoux Student Framework

A. RIGOROUS ACADEMIC WORK:

The portrait of a Monoux Graduate (1—4)

1. I have well-researched and ambitious plans for the future
2. I am a skilful learner with successful habits
3. I am able to solve tough problems and think critically
4. I am an expert in my academic Field

Our Approach

We **have highly committed academic/teaching staff** who are tenacious, adaptable, and reflective, using the Monoux Teach Framework in planning work.

We carefully **structure learning** activities, assessments, progress tracking, and classroom culture.

We use frequent **testing** to make learning stick.

Reading & note-making is at the core of our approach to developing young minds

Through **induction, assemblies, coaching, and teachers’ guidance for independent study** we develop students’ study skills.

We have high expectations of **attendance, punctuality, and working to a deadline**, with an energetic response to low performance.

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We expect students with the ambition to progress to prestigious destinations to follow **programs that provide stretch** and to study relentlessly.

We **organise spaces** to promote respectful, focused engagement and to enable hard work.

B. A COMMUNITY THAT RAISES OPTIMISM AND THE SENSE OF WHAT'S POSSIBLE.

The portrait of a Monoux Graduate (5—7)

5. I am curious, open-minded and knowledgeable about the world and other people.
6. I am self-aware, able to manage emotions and show appreciation for others. I am ready to help other people
7. I understand about health (public and personal)

Our Approach

We proudly **greet our students** and show warmth & compassion

Through our **Talent Lab programme of talks, activities and discussion groups** we embed personal development & health relationships and promote world citizenship equality and sustainable practices.

We have an extensive and growing range of **work experience** and placement opportunities that support career choices.

We rigorously promote **healthy eating**.

We help students be aware of risk.

C. STEPS TO SELF-MASTERY AND AGENCY:

The Portrait of a Monoux Graduate (8—13)

8. I make good choices to use time well and find focus
9. I have developed a clear sense of self, with purpose and direction for the future
10. I am confident to meet new people, take on new challenges and adapt
11. I can be convincing and persuasive, using public voice to express ideas
12. I am aware of social barriers and I am equipped to navigate these
13. I can add value to an organisation by being reliable and setting high standards

Our Approach

Our **Monoux Passport** scheme ensures that we devote time to reflection and forward planning, finding identity and purpose

Through outstanding and integrated **support for welfare, well-being and learning** we enable students to persevere, use advocacy and be emotionally intelligent.

Students advance their **literacy and verbal expression** throughout the curriculum, Read to Succeed and through student **leadership**.

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We **mentor** out students everyday to have ownership of the challenges they face and to build self-efficacy. Our **behaviour norms** provide the climate to facilitate this learning. A student with ownership and self-efficacy would not notice our rules.

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



Public Benefit

Sir George Monoux College is an exempt charity under part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the College, are disclosed on page 21.

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

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

- ◆ High-quality teaching;
- ◆ Widening participation and tackling social exclusion;

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

Implementation of the Strategic Plan

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

Progress has been excellent and this was externally verified by the Ofsted inspection.

Performance indicators

Success rates were 91.4% in 2019/20, achieving the College's target. In 2020/21 the rate was 89.3%, though the use of alternative assessment methods in 2019/20 and 2020/21 means comparisons are difficult. Achievement in 2021/22 was 82.4%.

The college uses "value added" measures to assess learner progress. The proportion of students significantly achieving above target has increased over time, with a higher proportion of courses/subjects moving out of the lower Blue category and up towards the higher Red category (indicating performance in the national upper quartile for progress from GCSE).

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

The College remained in good financial health, though it dropped to the midpoint score for this grade; this was planned. The College plans to run at a deficit in 2022/23 due to the temporary downturns in its enrolments in 2021/22.

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The College recruited (and retained to the census date) 1,659 students in 21/22, less than it was funded for. This decrease was due to changes in recruitment patterns attributed to the pandemic.

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

FINANCIAL POSITION

Financial results

The College generated an operating deficit in the year of £779,000 (after £903,000 of FRS 102 S28 related pension costs) (20120/21 – deficit of £744,000 after £806,000 of FRS 102 S28 costs).

The College has a very low level of commercial activities, and the plan is to slowly increase these and that is in the budgets for 2022/23.

The College has accumulated reserves of £3.575 million (after pension fund deficit of £4.606 million) and cash balances of £1.278 million. The College aims to make surpluses before FRS 102 S28 costs of at least 0.5% of income.

The College's revenue reserves are now £0.220 million, distorted by the £4.606 million pension deficit, a increase of £3.292 million in the year, after a rise of £2.6 million the year before. The College remains operationally solvent and anticipates no issues with continuing to successfully deliver education to its students.

Tangible fixed asset additions during the year amounted to £297,000. The additions were primarily a new boiler for the main building and IT equipment.

The College places significant reliance on the education sector funding body for its principal funding source, largely from recurrent grants. In 2021/22 the funding body provided 96% of the College's total income.

The College recruited 1,659 students in the summer of 2021, slightly lower than predicted. This reflects the College's improved academic success rate as well as its emphasis on providing its students with the skills to succeed in life. Recruitment of students in 2022 is above target due to the improved reputation of the College and the outreach work carried out.

The College remains strongly placed, and is forecast, to return to having an operating surplus in 2023/24 with its continuing record of cost control and its reputation consistently improving. The deficit for 2022/23 is currently forecasted to be £135,000, but the cost of living crisis and associated inflationary pressures on pay and non-pay costs make this subject to revision.

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

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

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

Cash flows

At £11,000 outflow (2020/21 £1,079,000 inflow), operating cash flow was in line with expectations. The net cash flow was an outflow of £308,000. (2020/21 £395,000 inflow),

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 2021 to 31 July 2022, the College has aimed to pay all of its undisputed invoices within 30 days. Over 98.6% of all invoices (by value) were paid within 30 days, those that weren't were due to billing errors by the supplier. The College incurred no interest charges in 2021/22.

Reserves

The College has a formal Reserves Policy. The College forecasts its financial performance for two years in advance every year as part of its planning process. The College currently holds £68,000 of restricted reserves. As at the Balance Sheet date the Income and Expenditure account surplus stood at £220,000 (2021: deficit £3,127,000). As noted above the low position is entirely due to the rise in the pension fund deficit and does not affect the College's operational position.

The College has accumulated reserves of £3.575 million (£0.220 million after deduction of the pension fund deficit of £4.606 million) and cash balances of £1.278 million. The College aims to make surpluses before FRS 102 S28 pension adjustments.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2021/22 the College has delivered activity that has produced £10,333,000 in funding body main allocation funding (2020/21 – £10,047,000). The College had 1,659 funding body funded students.

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

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Student achievements

1. How well do students achieve compared to their peers nationally?

Achievement tables with retention, pass rates and high-grade rates					
Cohort	Retention %	National ret. %	Pass %	National pass %	High Grade %
2 Year A Level					
17/18	90	85	97	98	18
18/19	72	85	94	98	26
21/22	83	85	96	98	37
1st Year Level 3 Vocational					
17/18	88	92	98	97	71
18/19	93	92	98	97	70
21/22	89	89	89	95	24
2nd Year Level 3 Vocational					
17/18	96	93	99	99	85
18/19	98	94	98	98	85
21/22	95	84	92	99	69
Level 2 Vocational					
17/18	91	88	98	96	25
18/19	92	90	97	96	29
21/22	88	89	92	95	31
GCSE English					
17/18	94	93	98	98	39
18/19	95	93	97	98	53
21/22	92	93	97	99	31
GCSE Maths					
17/18	91	92	98	97	19
18/19	95	92	96	97	19
21/22	94	92	94	97	16

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College Management

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

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

Ofsted

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

Some points that were made by the inspectors included:

Quality of Education

- Teachers assess effectively at the start of programmes and consequently programmes are well-tailored to meet students' needs.
- Leaders and managers plan and sequence the curriculum logically from students' starting points, helping them to improve their progress over time.
- Teachers use well-paced learning activities to ensure students are focused and complete their learning tasks, sticking to timings.
- Teachers are well qualified and use their specialist subject skills well to help students gain new knowledge.
- Leaders, teachers and staff offer very effective support for learners. Students find the staff approachable and welcome the support.
- Teachers use high quality learning resources to help students make progress in and out of lessons.
- Students work well in the Learning Resources Centre. The environment for study is focused and productive, meaning that students develop their independent learning skills very well.
- A high proportion of students go on to positive destinations, with more students going to a Higher Education and an increasing proportion going on to Russell Group universities.
- A very high proportion of students on Level 3 vocational programmes make good progress and achieve their qualifications.
- Students benefit from ALS support that helps them to progress and achieve at the same rate as their peers.
- Students on Free College Meals achieve at a rate that is above the cohort average.

Behaviour and Attitudes

- Students benefit from the safe and industrious environment at college. The atmosphere is calm and studious both inside lessons and around the site. Therefore, students are respectful and study productively.
- Staff set high expectations for behaviour. They are supportive yet strict and uphold the college rules consistently. This applies to all staff whether they are leaders, teachers or in any role at the college.
- Students are courteous, motivated and positive. They are ready to learn, have well-maintained folders and take pride in showing their work.
- Behaviour for learning is well developed through the Monoux Teacher framework, and through reflective learning practices such as Progress Trackers.
- Students are very safe and have a well-developed understanding of how to keep themselves safe from a range of potential harms.

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- Students appreciate the way that security staff, teachers and leaders are always visible on site, helping to keep the site safe.
- Female students in particular love the Personal Mentors who are always on hand to help them with their mental and physical wellbeing.
- Students are clearly able to articulate their good understanding of sexual harassment. They know how to report any instances of this and they thoroughly understand consent and healthy relationships.
- High Needs students attend well in comparison with their peers.
- Students are punctual to lessons. The entry period motivates them to attend on time and gives a smooth start to the day, with much reduced disruption.
- The regular and timely contact home helps students to improve their attendance and work submission.

Personal Development

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

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High Needs

- Students with High Needs receive a good quality of education overall.
- High Needs students study appropriate programmes with adjustments made as necessary, for example where a student needed additional time to complete their programme they were given an additional year and in the end received a Distinction* grade.
- Students feel well-supported, and the support in place helps them to make good progress.
- Parents of High Needs students feel well supported and are very positive about the college and the progress the students are making.
- High Needs students and their parents value the opportunity they get to visit the college before they take up their place, helping for them to feel comfortable at college.
- Students make progress with their social skills whilst at college.
- High Needs students attend well and achieve at a similar rate to their peers. Most of them stay on their programme and achieve, and consequently they move on to positive destinations.
- Leaders and managers have a good understanding of students' needs and put the right support in place, reducing or increasing the support as necessary to help the students make good progress and work as independently as possible.
- Students feel safe and know how to keep themselves safe. They know what to do to keep themselves safe online and how to block unwelcome contact. They understand healthy relationships and how to identify toxic relationships.

Leadership and management

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

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of sexual harassment and take appropriate actions. Learners know about what to do in cases of sexual harassment and would approach staff if they had any worries.

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Curriculum developments

- A focus was made on the quality of feedback to students, both in quantity and quality.
- The Monoux Teacher Framework was embedded as a prism of effective pedagogy.
- The literacy strategy was aligned to the Monoux Teacher Framework.
- It was ensured that students understood expectations of engagement and behaviour at the start of the year.
- TalentLab activities that promoted reading and expertise were instituted.
- Support and coaching program for HE application developed; Oxbridge and medical HE application program revamped.
- EAL support for Level 3 learners for whom English is not the first language was embedded.
- A coaching role introduced to support teachers in embedding subject specific literacy.
- A new Student Engagement team was launched so improve attendance, punctuality, catch-up, behaviour guidance activities and lesson cover.
- A parent and carer strategy was implemented.
- The English and Maths Co-ordinator roles were enhanced.
- A Talent Lab programme of global citizenship activities and events, including a focus on conflict mediation was introduced.
- A VESPA (Vision, Effort, Systems, Practice and Attitude) assemblies program was piloted and assimilated into a draft assembly programme.
- The capacity of curriculum leaders was developed by introducing a shared working space and collaborative practice.
- A new leadership model was introduced.

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Future developments

The College funding income for 2022/23 has been set at £9.754 million from the ESFA.

Our campus

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

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

A new property strategy is being developed and bidding will be made to appropriate funds that become available.

Curriculum

- The College functioned in a normal manner in 2021/22 following the COVID disruptions of previous years.
- Operating in the post-pandemic environment one priority is to continue to prepare students for assessments (both A Level and Vocational) by setting high expectations. We will do this by ensuring we are supporting our learners to have successful study habits and by using the induction period to highlight the importance of all assessments. Tracking student progress is key and so using college tools such as professional predictions and online markbooks to monitor this progress must be promoted.
- As noted by Ofsted in the November 2021 inspection we need to improve the quality of feedback that teachers provide to students and ensure that students on all courses know how to improve their work. Work has started on this, and Deputy Pathway Leaders (DPLs) have begun to trial strategies in pathways with varying impact. In the year ahead effective feedback must become a consistent practice and to a minimum standard. I will work with the DPLs as an ongoing project to ensure our feedback policy is being carried out and checked in each pathway.
- Whilst navigating through a period of uncertainty in the vocational landscape we will prepare to deliver T-Levels in 2023 across the following pathways – Digital, Health and Science. We must ensure that staff are ready and confident to deliver these new courses as well as create access to meaningful industry placements.
- The College continues to extend opening hours for self-study and introduce Saturday catch up sessions.
- Online/ in person training in safeguarding and GDPR will continue to be carried out.
- The College's successful 14–16 year-old provision for recent arrivals from overseas will be developed and expanded.

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- An extra 40 hours of additional learning support will be introduced for each learner in line with DFE requirements.
- Following a highly successful third year the College is continuing its TalentLab provision. It will be scheduled throughout the day, rather than in one slot, which will assist with social distancing.
- The Monoux Teacher online was launched at the end of the 18/19 academic year and was fully remains fully in use. Our Curriculum for Expertise strategy (the Monoux Teacher framework) sets high expectations and is designed with the particular needs of our students in mind. We plan for frequent low stakes testing for lasting knowledge, ensuring that we break material down and frequently practice for mastery. We give time to learners to respond to feedback, allowing growth, and we develop oracy and encourage students to have pride in their work.
- The College has transformed its canteen provision by removing unhealthy food from the menu. A healthy menu has been designed by chefs at the catering company and implemented. Work will now be done with students to educate them on the food choices that they make and how it affects them.



Resources

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

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

Financial

The College has £3.575 million of net assets (after £4.606 million pension liability) and has no debt.

Pension Liabilities

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

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

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

The FRS 102 S28 deficit decreased from £7.895 million to £4.606 million at 31 July 2022.

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (the Department in April 2019). The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

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

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

People

The College employed 172 people (expressed as full-time equivalents), 92 of whom are teaching staff.

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

Reputation

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

Principal Risks and Uncertainties

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

Based on the strategic Plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

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

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

The College remains financially viable

The College places considerable reliance on continued government funding through the ESFA. In 2021/22, 99% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. The College has focused on increasing recruitment. The cost of living crisis has placed considerable strain on finances across the sector.

This risk has been mitigated by:

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

Failure to adequately maintain the College

The COVID closures, combined with the age of the main building and the squeeze on college finances have meant that there is a costly backlog of work to carry out. This was aggravated by flooding in the summer of 2021 that meant that new boilers had to be installed, as well as other rain damage being dealt with.

To date the risk has been mitigated in these ways:

Strategic Report

- Carrying out a full site survey;
- Replacing the main boilers (including asbestos removal);
- A planned maintenance program was prepared; and
- A planned maintenance program tender is in place.

Failure to adequately prepare for T-Levels with employers

T levels will require a far higher level of engagement with employers to make them work.

To date the risk has been mitigated in these ways:

- A partnership strategy has been prepared;
- A placement broker will be repaid, and
- A marketing program will be put in place.

Stakeholder Relationships

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

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

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

Equal opportunity and employment of disabled persons

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

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

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

Strategic Report

The Equality Policy is available on the website.

Disability Statement

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

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

In particular the College makes the following commitments:

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

Trade Union costs

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

Total number of employees who were relevant	Full time equivalent employee number
2	1.8

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

Description	Amount
The total cost of employee facility time	£5,851
The total pay bill	£8,603,000
The percentage of the pay bill spent on facility time.	0.07%

Time spent on paid trade union activities as a percentage of total paid facility time hours
75%

Strategic Report

Disclosure of information to auditors

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

Going Concern

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

Approved by order of the members of the Corporation on 13 December 2022 and signed on its behalf by:

Signe 

Professor Colin Grant
Chair

Statement of Corporate Governance and Internal Control

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the college to obtain a better understanding of its governance and legal structure. The statement covers the period 1st August 2021 to 31st July 2022 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

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

In the opinion of the Governors, the College complies with all the provisions of the Foundation Code, and it has complied throughout the year ended 31 July 2022.

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

Statement of Corporate Governance and Internal Control

The Corporation

The composition of the Corporation is set out in the table below. It is the Corporation's responsibility to bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct. The members who served the Corporation (and its Committees) during the period and up to the date of signature of this report were as follows:

Name	Status of appointment	Date of appointment	Date of resignation	Term of office	Committees served	Attendance*
Mr K Atta	Independent	13.10.20		4 years	A,	50%
Ms M Benamer	Student	14.12.21	13.12.22	1 year	Q	67%
Ms A Betiku	Independent	13.10.20	14.6.22	4 years	A, R, N	100%
Ms R Bhalla	Independent	2.7.17	5.7.22	5 years	VCh, A(Ch), P	33%
Mr A Boucher	Independent	5.7.22		4 years		N/A
Mr. J Bush	Independent	9.12.17		5 years	VCh, R(Ch),	50%
Ms T Chirouf	Independent	10.10.15	14.12.21	5 years	A, E	100%
Mr J Davies	Independent	5.7.22		4 years		100%
Mr. T Foakes	Independent	7.7.19	26.1.21	5 years	E, N(Ch)	50%
Ms A Foster	Staff	10.5.22		4 years	E	100%
Mr C Grant	Independent	10.5.22		4 years	Ch	100%
Ms N Jonas	Student	15.12.20	30.11.21	1 year	Q	100%
Mr S Jones	Independent	22.3.16		4 years	N, Q	83%
Ms F Juhera	Staff	20.3.18	17.12.21	4 years	E	100%
Mr J Kenth	Independent	2.4.19	14.12.21	4 years	R,Q	0%
Ms Anisa Khadija	Student	15.12.20	30.11.21	1 year	Q	0%
Mr W Khan	Student	14.12.21	13.12.22	1 year	E	100%
Ms M Lewin	Independent	22.10.16		4 years	E,P	83%
Mr. S McLean	Independent	6.7.18		5 years	E (Ch), P	33%
Mr. A Owens	Independent	6.7.18		5 years	SVCh, Q(Ch), P (Ch), N(Ch)	100%
Ms U Puri Dewage	Parent	12.11.21		1 year		60%
Ms N Shah	Staff	17.12.19		4 years	R	67%
Mr T Stockings	Independent	26.2.22		4 years	Q, A	100%
Mr D Vasse	Principal	8.10.16		N/A	R, Q, E	100%
Mr. A Wells OBE	Independent	2.7.17	14.12.21	5 years	Ch, N, P,	100%
Ms S Whittaker	Independent	13.10.20		4 years	E, A	83%
Mr J Kirk	Interim Clerk	23.1.22				
Mr R Smith	Clerk	1.1.11	22.1.22			

Key to sub-committees

A = Audit

E = External Relations

N = Governance & Nominations

P = Remuneration

R = Resources

Q= Quality & Performance

Ch= Chair

SVCh = Senior Vice Chair

VCh= Vice Chair

Statement of Corporate Governance and Internal Control

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. In 2021/22 these committees were; Resources; Governance & Nominations; Quality & Performance, Remuneration External Relations and Audit

.. Full minutes of all meetings are available from the Clerk to the Corporation at:

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

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

Committee	Overall attendance
Audit	69%
External Relations	93%
Governance & Nominations	86%
Quality & Performance	81%
Remuneration	N/A
Resources	100%

The Corporation is provided with regular and timely information on the overall financial performance of the College, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets at least once per term.

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

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

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for consideration of the Corporation as a whole. The Corporation has a Nominations Committee, which in the year ended 31 July 2022, consisted of three members of the Corporation, which is responsible for the selection and nomination of any new member for

Statement of Corporate Governance and Internal Control

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

Members of the Corporation are appointed for a term of office not normally exceeding four years and for no more than two terms of office. Due to the COVID-19 crisis and the proximity of the dates of the end of the terms of several senior members of the Corporation it was decided to extend the terms of Ms R Bhalla, Mr J Bush, Mr S McLean, Mr A Owens and Mr A Wells by one year.

Corporation Performance

The Corporation assessed its performance as part of Governor individual appraisal in autumn 2022. Overall, the effectiveness of the Corporation in 2021-22 was assessed as 'good'. The College remains in a strong financial position under the current Principal.

Activities undertaken to develop governors and governance professionals during the year:

- Interim governance professional has attended all AoC Regional Meetings, which include training and development from external contributors;
- Governor recruitment, induction, and training policies have all been reviewed and updated;
- All governors have been signed up to the ETF Governance Development Program, and
- Discussions are underway with an external reviewer of governance for an ERG to be conducted in the year 2022/23.

A Governor Development Day was held in February to consider national priorities for post 16 education, future college strategy, and the implications of academisation.

The College's internal auditors, Scrutton Bland, carried out a review of Governance and Risk Management early in 2022. Significant assurance (the highest level) was given and there were no recommendations for improvement.

Remuneration Committee

Throughout the year ending 31 July 2022, the Remuneration Committee comprised six members of the Corporation. The Committee's responsibilities were to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post holders. It did not meet in the year and in the summer term the decision was taken to merge it with the Governance and Nominations Committee. Changes to pay and conditions for senior staff were approved by the Chair as a Chair's action.

Details of remuneration for the year ended 31 July 2022 are set out in notes 7 and 8 to the financial statements.

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

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

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

On advice of the Remuneration Committee, the Corporation at its December 2020 meeting agreed that the Code would not be adopted by the Corporation, but it was noted that it had, to some extent, informed the

Statement of Corporate Governance and Internal Control

writing of the Corporation's Senior Leadership Team Pay Policy (which also applies to the Clerk to the Corporation). The Senior Leadership Team Pay Policy was duly approved at the said meeting.

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

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

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

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

All post holders received the cost-of-living increase negotiated for all staff by the Sixth Form Colleges' Association and employee representatives, which was payable from 1 September 2021 or 1 October 2022.

Audit Committee

The Audit Committee comprises five members of the Corporation (excluding the Principal and Chair) Ms R Bhalla, Ms A Betinku, Mr T Stockings, Ms S Whittaker and Mr K Atta. The committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal and financial statement auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

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

Statement of Corporate Governance and Internal Control

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

The audit committee met three times in the year to 31 July 2022. The members of the committee and their attendance records at the three meetings are shown below:

Committee member	Meetings attended
Ms R Bhalla	3
Mr K Atta	2
Mr A Betiku	1 (of 2)
Ms S Whittaker	3
Ms T Stockings	0 (of 2)

Internal Control

Scope of responsibility

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

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

The Purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sir George Monoux College for the year ended 31 July 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

Statement of Corporate Governance and Internal Control

The Risk and Control Framework

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

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Corporation;
- ◆ regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecast;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined capital investment control guidelines, and
- ◆ the adoption of formal project management disciplines where appropriate

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

COVID-19

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

Risks faced by the Corporation

No significant internal control weaknesses were identified in the year.

Responsibilities under funding agreement

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

Statement from the Audit Committee

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

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

Statement of Corporate Governance and Internal Control

Review area	Assurance level	High	Medium	Low	Advisory
Human Resources Safer Recruitment	Reasonable	0	2	0	0
IT Infrastructure and Cyber Security	Significant	0	1	2	5
Property Management & Building Efficiency	Reasonable	1	0	3	0
Work Placements	Strong	0	0	0	0
Funding	Reasonable	1	1	1	0
Risk Management and Governance	Significant	0	0	0	0
Payroll	Significant	0	0	0	0

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training.

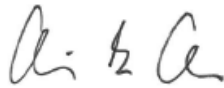
The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the senior management team and internal audit, including a review of the key risks to the college and a review of the risk management process, and taking account of events since 31 July 2022.

Statement of Corporate Governance and Internal Control

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

Approved by order of the members of the Corporation on 13th December 2022 and signed on its behalf by:



Signed _____

Date 13 December 2022
Chair



Signed _____

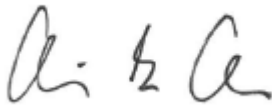
Date 13 December 2022
Principal and Accounting Officer

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

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

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

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



Signed _____

Date 13 December 2022
Chair



Signed _____

Date 13 December 2022
Principal and Accounting Officer

Statement of the Responsibilities of the Members of the Corporation

Statement of the Responsibilities of the Members of the Corporation

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

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- ◆ prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

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

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

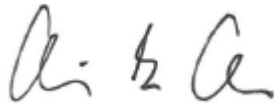
The Corporation is responsible for the maintenance and integrity of the college's website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since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

Members of the Corporation are responsible for ensuring expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA are used only in accordance with the ESFA's grant funding agreement and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder.

Statement of the Responsibilities of the Members of the Corporation

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

Approved by order of the members of the Corporation on the 13 December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A. H. A.', written in a cursive style.

Signed_

Date: 13 December 2022

Chair

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College for the Year ended 31 July 2022

Opinion

We have audited the financial statements of the Corporation of Sir George Monoux College (the 'College') for the year ended 31 July 2022 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2022 and of its deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College for the Year ended 31 July 2022

apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Corporation of Sir George Monoux College

As explained more fully in the Statement of Corporation Responsibilities on pages 31-32, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent Auditor's Report to the Members of the Corporation of Sir George Monoux College for the Year ended 31 July 2022

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

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

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

Use of our report

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

MHA MacIntyre Hudson

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

Date 22 December 2022

Reporting Accountants' Assurance Report On Regularity for the Year Ended 31 July 2022

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

Requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether **anything has come to our attention that would suggest that in all material respects the expenditure disbursed** and income received by the Corporation of Sir George Monoux College during the period 1 August 2021 to 31 July 2022 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

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

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

Reporting Accountants' Assurance Report On Regularity for the Year Ended 31 July 2022

Reporting accountant's assurance report on regularity (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

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

Date 22 December 2022

Statements of Comprehensive Income and Expenditure

	Notes	2022 £'000	2021 £'000
INCOME			
Funding Body Grants	2	10,950	10,540
Tuition Fees and Education Contracts	3	400	453
Other Grants and Contracts	4	16	252
Other Income	5	90	176
Investment Income	6	0	0
Total Income		11,456	11,421
EXPENDITURE			
Staff Costs	7	8,603	8,296
Other Operating Expenses	9	2,969	3,155
Interest Payable	10	140	133
Depreciation	11	522	535
Total Expenditure		12,234	12,119
Loss on Disposal of Assets		0	45
(Deficit) Before Other Gains and Losses		(778)	(744)
Gain on Investments		(1)	10
(Deficit) for the Year		(779)	(734)
Actuarial Gain/(loss) in Respect of the Pension Scheme		4,071	250
		3,292	(484)
Represented by:			
Restricted Comprehensive Income		(1)	10
Unrestricted Comprehensive Income		3,293	(494)
		3,292	(484)

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

Statement of Change in Reserves

	Income and Expenditure Account	Revaluation Reserve	Restricted Reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1st August 2021	(3,127)	3,341	69	283
Surplus from the Income and Expenditure Account	(778)			(778)
Other Comprehensive Income	4,071		(1)	4,070
Transfers Between Revaluation and Income and Expenditure Reserves	53	(53)		
Total Comprehensive				
Income for the Year	3,346	(53)	(1)	3,292
Balance at 31st July 2022	220	3,288	68	3,575

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

Balance Sheets as at 31 July 2022

	Notes	2022 £'000	2021 £'000
Non Current Assets			
Tangible Fixed Assets	11	9,586	9,812
Investments	12	68	69
		9,654	9,881
Current Assets			
Trade and Other Receivables	13	142	121
Cash and Cash Equivalents	19	1,278	1,585
		1,420	1,706
Creditors – Amounts falling due within One Year	14	(837)	(1,231)
Net Current Assets		583	474
Total Assets less Current Liabilities			
Creditors – Amounts falling due after more than One Year	15	2,056	(2,177)
Net assets excluding Pension Liability		8,181	8,178
Pension Liability		(4,606)	(7,895)
Net Assets		3,575	283
Revaluation Reserve		3,287	3,341
Income and Expenditure Account		220	(3,127)
Total Unrestricted Reserves		3,507	214
Restricted reserve – Rothery Bequest	22	68	69
Total Reserves		3,575	283

The financial statements on pages 38 to 65 were approved and authorised for issue by the Corporation on 13 December 2022 and were signed on its behalf on that date by:

Chair of the Corporation 

Principal 

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

Statement of Cash Flows for the Year Ended 31 July 2022

	Notes	2022 £'000	2021 £'000
Cash flow from operating activities			
(Deficit) for the Year		(778)	(744)
Adjustment for non-cash items			
Depreciation	11	522	535
Increase/ (Decrease) in debtors	13	(21)	150
Decrease/(Increase) in creditors due within one year	14	(396)	535
(Decrease) in creditors due after one year	15	(121)	(116)
Pensions: costs less contributions payable	7	643	541
Adjustment for investing or financing activities			
Investment income	6	0	0
Interest payable	10	140	133
Loss on Disposal of Fixed Assets		0	45
Net cash flow from operating activities		(11)	1,079
Cash flows from investing activities			
Investment income	6	0	0
Payments made to acquire fixed assets	11	(296)	(685)
		(296)	(685)
Cash flows from financing activities			
Interest paid	10	0	0
Repayments of amounts borrowed	17	0	0
		0	0
Increase in cash and cash equivalents in the year		(307)	395
Cash and cash equivalents at beginning of the year		1,585	1,190
Cash and cash equivalents at end of the year		1,278	1,585

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

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

Notes to the Financial Statements

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2021 to 2022 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The college is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

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

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

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

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

Recognition of income

Revenue Grant Funding

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

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

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

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of

Notes to the Financial Statements

performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital Grant Funding

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

Fee Income

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

Agency arrangements

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

Investment Income

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

Termination Benefits

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

Accounting for post-employment benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the London Borough of Waltham Forest Pension Fund (LBWFPF). These are defined benefit schemes which are externally funded and contracted out of the state second pension.

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

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

The LBWFLGPS is a funded scheme. The assets of the LBWFLGPS are measured using closing fair values. LBWFLGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged

Notes to the Financial Statements

to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

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

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

Short-Term Employment Benefits

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

Tangible Fixed Assets

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

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

Land and Buildings

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

Freehold land is not depreciated as it is considered to have an infinite useful life.

Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

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

Notes to the Financial Statements

Equipment

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

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

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

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

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

Investments

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is exempt in respect of Value Added Tax, so that it cannot recover VAT on inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Notes to the Financial Statements

Cash and cash equivalents

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

Provisions

Provisions are recognised when

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

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

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

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

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

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

Other key sources of estimation uncertainty

- Tangible fixed assets

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

Notes to the Financial Statements

□ Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements

2 Funding Body Grants

	2022	2021
	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency – 16 -18	10,333	10,047
Releases of Deferred Capital Grants	122	123
16-19 Tuition Fund	310	144
COVID-19 Test Centre	9	27
Teachers' Pension Grant Relief	166	186
Other	10	13
Total	10,950	10,540

3 Tuition Fees and Education Contracts

	2022	2021
	£'000	£'000
Local Authority	400	451
Other Education Contracts	0	2
Total	400	453

Notes to the Financial Statements

4 Other Grants and Contracts

	2022	2021
	£'000	£'000
Sport England	13	52
Greater London Authority	3	200
Other	0	0
Total	16	252

5 Other income

	2022	2021
	£'000	£'000
Lettings	8	0
Exam retake fees	4	1
Photocopying charges	15	11
DFE Computer donations	35	128
Other	28	37
Total	90	176

6 Investment Income

	2022	2021
	£'000	£'000
Other interest receivable	0	0
Total	0	0

Notes to the Financial Statements

7 Staff Costs

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

	2022	2021
	No.	No.
Teaching staff	92	105
Non-teaching staff	80	82
	172	187

Staff costs for the above persons

	2022	2021
	£'000	£'000
Wages and salaries	5,957	5,974
Social security costs	565	560
Other pension costs (including FRS 102 S28 adjustments of £642,000- 2021 £541,000)	1,647	1,521
	8,169	8,054
Contracted staff	434	242
	8,603	8,296
Restructuring costs - Contractual	2	32
- Non contractual	5	5
	7	37

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

8 Key Management Personnel

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

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

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

	2022	2021
	No.	No.
The number of key management personnel including the Accounting Officer was:	4	4

Notes to the Financial Statements

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

	Key management personnel		Other staff	
	2022 No.	2021 No.	2022 No.	2021 No.
£nil to £5,000 p.a.				
£5,001 to £10,000 p.a.				
£10,001 to £15,000 p.a.				
£15,001 to £20,000 p.a.				
£20,001 to £25,000 p.a.				
£25,001 to £30,000 p.a.				
£30,001 to £35,000 p.a.				
£35,001 to £40,000 p.a.				
£40,001 to £45,000 p.a.				
£45,001 to £50,000 p.a.				
£50,001 to £55,000 p.a.				
£55,001 to £60,000 p.a.			1	
£60,001 to £65,000 p.a.			2	2
£65,001 to £70,000 p.a.				1
£70,001 to £75,000 p.a.				
£75,001 to £80,000 p.a.		1		
£80,001 to £85,000 p.a.	1	1		
£85,001 to £90,000 p.a.	1	1		
£90,001 to £95,000 p.a.	1			
£95,001 to £100,000 p.a.				
£100,001 to £105,000 p.a.				
£105,001 to £110,000 p.a.				
£110,001 to £115,000 p.a.				
£115,001 to £120,000 p.a.				
£120,001 to £125,000 p.a.				
£125,001 to £130,000 p.a.				
£135,001 to £140,000 p.a.	1	1		
	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>

Cost of living pay rises were paid to all staff, the average increase was 2.42%. The College is part of the collective negotiations carried out by the Sixth Form College Association.

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

Notes to the Financial Statements

The members of the Corporation other than the Accounting Officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Key management personnel compensation is made up as follows:

	2022	2021
	£	£
Salaries	396,133	388,337
Pension contributions	77,679	76,151
Employers National Insurance	51,040	48,731
	524,852	513,219

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

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

	2022	2021
	£	£
Salary	137,798	135,086
Pension contributions	32,631	31,988

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

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

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

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

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

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

Notes to the Financial Statements

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

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

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

Senior post-holders, including the Principal and other higher paid staff, received a 1% cost of living pay rise phased across the year. These are the same rises that applied to all staff.

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

	2022	2021
Principal's salary as a multiple of the median of all staff	3.8	3.9
Principal's total remuneration as a median of all staff	4.2	4.2

Notes to the Financial Statements

9 Other Operating Expenses

	2022	2021
	£'000	£'000
Teaching departments	444	720
Non-teaching costs	1,183	1,349
Premises costs	1,342	1,086
Total	2,969	3,155

	2022	2021
	£'000	£'000
Other operating expenses include:		
Auditors' remuneration:		
External audit	21	20
Internal audit	12	10
Other services from internal audit	9	0
Other services from external audit	2	1

10 Interest Payable

	2022	2021
	£'000	£'000
On bank loans	0	0
Net interest on defined pension liability (note 20)	140	133
Total	140	133

Notes to the Financial Statements

11 Tangible Fixed Assets

	Freehold Land and Buildings	Equipment	Total
	£'000	£'000	£'000
Cost or valuation			
At 31 July 2021	17,249	2,445	19,694
Additions	0	297	297
Disposals	0	(2)	(2)
At 31 July 2022	17,249	2,739	19,988
Depreciation			
At 31 July 2021	8,616	1,267	9,883
Charge for the year	328	194	522
Disposals	0	(2)	(2)
At 31 July 2022	8,944	1,458	10,402
Net Book Value at 31 July 2022	8,305	1,281	9,586
Net Book Value at 31 July 2021	8,633	1,178	9,812

Inherited land and buildings were valued at 1/4/93 for the purpose of the 1994 financial statements at depreciated replacement cost by the District Valuer/Valuation Officer for Redbridge. Other tangible fixed assets inherited from the local education authority at incorporation were valued by the Corporation based on specifically identified asset purchase costs.

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

Cost: Nil

Depreciation: Nil

Notes to the Financial Statements

12 Investments

	<u>£'000</u>
Balance at 1 August 2021	69
Revaluation	(1)
Balance at 31 July 2022	<u>68</u>

The investment is in the Charities Official Investment Fund.

13 Trade and other receivables

	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Amounts falling due within one year:		
Other debtors	53	11
Prepayments and accrued income	89	110
Total	<u>142</u>	<u>121</u>

14 Creditors: Amounts Falling Due Within One Year

	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Trade creditors	40	122
PAYE/NIC	2	2
Deferred Capital Grants	122	123
Accruals and deferred income	672	985
Total	<u>836</u>	<u>1,231</u>
Included above within accruals are holiday pay accruals	241	222

15 Creditors: amounts falling due after one year

	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Deferred Capital Grants	2,056	2,177
Total	<u>2,056</u>	<u>2,177</u>

Notes to the Financial Statements

16 Deferred Capital Grants included above

	2022	2021
	£'000	£'000
Opening Balance	2,300	2,423
Released to income	(122)	(123)
Closing Balance	2,178	2,300

17 Contingent Liabilities

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

18 Cash and Cash Equivalents

	2021	Cash Flows	2022
	£'000	£'000	£'000
Cash and cash equivalents	1,585	(307)	1,278
Total	1,585	(307)	1,278

19 Pension and similar obligations

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

Total pension scheme for the year

	2022	2021
	£'000	£'000
Teachers' Pension Scheme: Contributions paid	620	598
Local Government Pension Scheme:		
Contributions paid	385	382
Strain payments	-	-
FRS 102(28) Charge	642	541
Charge to the Statement of Comprehensive Income	1,027	923
Total Pension Cost for Year within staff costs	1,647	1,521

Notes to the Financial Statements

19 Pension and similar obligations (continued)

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

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

Teachers' Pension Scheme

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2021-22 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 £620,000 (2020/21: £598,000).

Notes to the Financial Statements

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Waltham Forest Local Authority. The total contributions made for the year ended 31 July 2022 were £533,000, of which employer's contributions totalled £385,000 and employees' contributions totalled £148,000. The agreed contribution rates for future years are 14% for employers and range from 5.5% to 7.5% for employees.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2022 by a qualified independent actuary.

	At 31 July 2022	At 31 July 2021
Rate of CPI inflation	2.7	2.6
Rate of increase in salaries	4.2	4.1
Rate of increase for pensions	2.8	2.7
Discount rate for liabilities	3.5	1.6

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

	At 31 July 2022	At 31 July 2021
<i>Retiring today</i>		
Males	22.6	22.7
Females	4.2	25.2
<i>Retiring in 20 years</i>		
Males	2.8	24.4
Females	3.5	27.1

Sensitivity analysis	At 31 July 2022	At 31 July 2021
	£'000	£'000
Discount rate +0.1% pa	247	315
Inflation +0.1% pa	(252)	(320)
Pay growth +1% pa	(13)	(23)
Mortality assumption – 1 year increase	(295)	(513)
Investment Returns +1%	82	84
Investment Returns -1%	(82)	(84)

Notes to the Financial Statements

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

	Value at 31 July 2022 £'000	Value at 31 July 2021 £'000
	<hr/>	<hr/>
Equities	4,978	6,503
Property	908	768
Other	1,970	669
Cash/liquidity	251	314
Total Market Value of Assets	8,107	8,254

	Expected return July 2022 £'000	Expected return July 2021 £'000
	<hr/>	<hr/>
Equities	61.4	78.8
Property	11.2	9.3
Other	24.3	8.1
Cash/ liquidity	3.1	3.8
Actual return on plan assets	(258)	1,006

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

	2022 £'000	2021 £'000
	<hr/>	<hr/>
Fair value of plan assets	8,107	8,254
Present value of plan liabilities	(12,713)	(16,149)
(Deficit) in the scheme	(4,606)	(7,895)

Notes to the Financial Statements

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

	2022	2021
	£'000	£'000
Current Service Cost	1,027	923
Administrative Costs	16	16
Interest	124	117
	1,167	1,056

Amounts recognised in Other Comprehensive Income:

	2022	2021
	£'000	£'000
Return on pension plan assets	392	(893)
Experience (gains)/ losses on defined benefit obligations	(4,463)	643
	(4,071)	(250)

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

	2022	2021
	£'000	£'000
Amounts included in staff costs:		
Current service cost	1,027	923
Total	1,027	923
Amounts included in investment income		
Net interest cost	(124)	(117)
Total	(124)	(117)

Notes to the Financial Statements

Amounts included in Other Comprehensive income	£'000	£'000
Re-Measurements	4,071	250
Total	4,071	250

Movement in net defined benefit (liability)/asset during year

		£'000
Net defined (liability) in scheme at 1 August 2021	(7,895)	(7,471)
<i>Movement in year:</i>		
Current Service Cost	(1,027)	(923)
Employer contributions	385	382
Net interest on the liability	(124)	(117)
Admin expenses	(16)	(16)
Actuarial (loss)	4,071	250
Net defined (liability) in scheme at 31 July 2022	4,606	(7,895)

Changes in the present value of defined benefit obligations

	2022	2021
	£'000	£'000
Defined benefit obligations at start of period	16,149	14,355
<i>Movement in year:</i>		
Current Service Cost	1,027	923
Interest on pension liabilities	257	230
Contributions by scheme participants	148	139
Remeasurements (liabilities):		
Experience (gains)/losses on defined benefit obligations	1,045	(299)
(Gain) on financial assumptions	(5,396)	942
(Gain) on demographic assumptions	(112)	
Past Service Cost	0	-
Estimated benefits paid	(405)	(141)
Defined benefit obligations at end of period	12,713	16,149

Notes to the Financial Statements

Fair value of plan assets at start of period	8,254	6,894
Interest on plan assets	133	113
Return on plan assets	(392)	893
Administration Expenses	(16)	(16)
Employer contributions	385	382
Contributions by Scheme participants	148	139
Estimated benefits paid	(405)	(141)
Fair value of plan assets at end of period	12,713	8,254

The estimated value of employer contributions for the year ended 31st July 2023 is £386,000.

20 Post Balance Sheet Events

Following a review by the Office for National Statistics, it has been formally announced, on 29 November 2022, that FE Colleges and their subsidiaries will be reclassified as forming part of central government sector. This reclassification will change the framework in which College operates. Having reviewed initial guidance from the Department for Education and the Association of Colleges the Governors do not believe this reclassification has an impact on the financial results prepared within these financial statements as conditions arose after the end of the reporting period. The College will continue to be funded and operate in the manner described within the members report and as such no adjustments have been made in regard to this event and any potential impacts will be recognised in future accounting periods.

22 Capital Commitments

	2022	2021
	£'000	£'000
Commitments contracted for at 31 st July	0	33

23 Lease obligations

	2022	2021
	£'000	£'000
<i>Other</i>		
Not later than one year	51	80
Later than one year and not later than five years	0	51
Total lease payments due	51	131

Notes to the Financial Statements

24 Restricted Reserves

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

25 Related Party Transactions

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

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2021: None). The total expenses paid to or on behalf of the Governors during the year was £0; (2021: £0).

At the end of the year there was an outstanding season ticket loan to the Principal of £6,200 (2021: £5,900). This was made available and recovered on the same terms as to all other staff.

26 Amounts disbursed as agent

Learner support funds	2022	2021
	£'000	£'000
Funding body grants	269	314
Administration fee	(10)	(12)
	<hr/> 259	<hr/> 302
Disbursed to students	(232)	(285)
Balance at 31 July	<hr/> 27	<hr/> 17

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

The balance of these grants will be disbursed in 2022/23.