Report and Financial Statements

31st July 2023

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

Key management and governance personnel, and professional advisers

The Governors present their report and the audited financial statements for the year ended 31 July 2023.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Sir George Monoux College. The College 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 as defined under section 91(3) of the Further and Higher Education Act 1992.

Key management personnel

Key management personnel are defined as the members of the Corporation including the members of the College Senior Leadership Team.

The College Senior Leadership Team was represented by the following in 2022/23:

David Vasse – Principal and Chief Accounting Officer
James Gould – Vice Principal (Student Services and Recruitment)
David Ball – Senior Director of Finance and Resources (resigned 31st March 2023)
David Watling – Interim Director of Finance (7th November 2022 to 3rd March 2023)
Richard Boulton – Director of Finance and Operations (appointed 27th March 2023)
Matthew Franks – Assistant Principal (Student Planning and Support)
Barbara Nearchou – Assistant Principal (Qualifications and Assessment)
Jonathan Service – Assistant Principal (Student Support and Wellbeing)
Nazia Shah – Assistant Principal (Quality Assurance and Teacher Development)

Corporation members

A full list of Governors is given on page 23 of these financial statements.

John Kirk acted as Interim Clerk to the Corporation until 7th July 2023.
Kay Sandford-Beal was appointed as Director of Governance from 3rd July 2023.

Professional advisers

Financial statements auditors and reporting accountants:
MHA
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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College mission and strategic objectives

Mission

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

Supporting this mission, we structure the programme for our students using the Monoux Student Framework, which sets out the portrait of a Monoux Graduate within 3 key themes:

Theme	1 Rigorous academic work	2 Community that raises optimism and the sense of what is possible	3 Steps to self-mastery and agency
Portrait	1. I have well-researched plans for the future 2. I am a skilled learner with successful habits 3. I am able to solve tough problems and think critically 4. I am an expert in my academic field	1. I am curious. open-minded and knowledgeable about the world and other people 2. I am self-aware, able to manage emotions and show appreciation of others 3. I am ready to help other people 4. I understand about health ' (public and personal)	1. I make good choices to find focus and use my time well 2. I have a clear sense of self, with purpose and direction for the future 3. I am confident to meet new people, take on new challenges and adapt 4. I can be convincing and persuasive, using public voice to express ideas 5. I am aware of social barriers and I am equipped to navigate these 6. I can add value to an organization by being reliable and setting high standards

Strategic objectives

The college's strategic plan for 2023 to 2027 (approved by the Corporation on 4th July 2023) outlines the following strategic objectives:

1. Through our **curriculum strategy** establish an outstanding learning ethos
2. Deliver a **skills strategy** that optimises students' ability to make a strong contribution to the UK economy in their future careers
3. Grow **learner enrolments** to be a college of over 2000 learners with a balance between A Level and technical programs
4. Achieve the necessary **financial strength**, stability and efficiency to be able to invest in our change agenda
5. Deliver a **property strategy** that addresses gaps in the quality and effectiveness of our site
6. Embed our **strategy for climate change and sustainability**

Public benefit

Sir George Monoux College is an exempt charity under part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education.

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

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

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

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

Key performance headlines

Financial year end 31st July 2023

The college generated an operating deficit in the year of £595,000, after £405,000 of FRS 102 S28 related pension costs.

In the prior year (2021/22) the operating deficit was £779,000, after £903,000 of FRS 102 S28 related pension costs.

The college has a very low level of commercial activities, and it may be possible to increase these. The college had in 2022/23 an alternative education provision, commissioned by Waltham Forest Council for 14-16 year olds who are newly arrived to the UK. The income from this activity was £400,000 at a rate of £8,000 for each of 50 learners.

The college has accumulated reserves of £6.098 million and cash balances of £2.283 million. The college aims to make surpluses before FRS 102 S28 costs of at least 0.5% of income. The deficit for 2022/23 was 1.6% of income.

The college's revenue reserves are currently £2.798 million. The total reserves increased by £2.523 million in the year, after a rise of £3.3 million the year before, distorted by a change in the pension deficit. 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 £150,000. The additions were primarily a new boiler for the Drapers' building and IT equipment.

The college places significant reliance on the education sector funding body, the Education and Skills Funding Agency (ESFA) for its principal funding source, largely from recurrent grants. In 2022/23 the ESFA provided 96% of the college's total income. In 2022/23, 1740 students were recruited and retained, a 5% increase compared to 2021/22.

During 2022/23, applications and offers to prospective students continued to increase. As a result, we expect student numbers to grow in 2023/24 by a further 5% to 1833.

This reflects the college's improved reputation in the local community, as well as its emphasis on providing our students with the skills to succeed in life in their next steps.

The income for 2023/24 is currently forecasted to be £13.3m., an increase of £1.9m compared to 2022/23. This is driven by increased student numbers, an increase in rate paid per student and some equipment grants. This is forecasted to lead to a surplus of £17,000.

Treasury policies and objectives

Treasury management is the process through which we manage our financial resources and activities, the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The college has a separate treasury management policy in place.

Short-term borrowing for temporary cash management purposes is authorised by the Chief 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

Operating cashflow

There was a positive operating cashflow of £1,146,000 for the year, driven by the receipt of the T Level equipment monies. This compares to a negative operating cashflow of £11,000 for the previous year.

Net cashflow

Net cash flow for the year was also positive at £1,004,000 after investing activities. This compares to a negative net cashflow of £308,000 for the prior year.

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 2022 to 31 July 2023, the College has aimed to pay all of its undisputed invoices within 30 days. Over 99.73% of all invoices (by value) were paid within 30 days. Those that were not, were due to billing errors by the supplier. The college incurred no interest charges in 2022/23.

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 £66,000 of restricted reserves. As at the balance sheet date, the income and expenditure account surplus stood at £2,797,000. Last year the surplus was £219,000.

The college has accumulated reserves of £6.098 million (£4.205 million after deduction of the pension fund deficit of £1.893 million) and cash balances of £2.283 million. The college aims to make surpluses before FRS 102 S28 pension adjustments.

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 concerned about the impact of FRS 102 S28 contributions to the Local Government Pension Scheme on the future finances of the College.

However, due to changes in actuarial assumptions, the FRS 102 S28 deficit decreased from £4.606 million to £1.893 million at 31 July 2023.

The latest actuarial review of the Teachers' Pension Scheme (TPS) was carried out as at 31 March 2020. The valuation report was published by the Department for Education in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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 28.68% of pensionable pay from 1 April 2024 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 2022/23 academic year and this has been agreed for 23/24.

A full copy of the valuation report and supporting documentation can be found on the TPS website.

Academic performance

The college evaluates its academic performance using national averages as a benchmark and in line with the Ofsted handbook for inspecting colleges. We publish a self-assessment report each December after Corporation approval.

Our context is important, some characteristics of which are that our students have significantly lower on-entry GCSE scores, often a low reading age and come from significantly disadvantaged backgrounds. 0% of our students came from the upper quartile of household income and 52% came from the bottom quartile of household income (nationally). We made reasonable progress in relation to academic performance in 2022/23 as we returned full assessment after the pandemic-affected years.

Considering the above context our A level A* - B grades were only 1% below the 2019 level. A-Level retention now has a three- year improvement trend, with a 10% increase over this period.

On Level 3 courses students made good progress to higher education in spite of significant disadvantages and low prior attainment at school. There has been a trend of improvement in vocational Level achievement & pass rate since a move to the RQF qualification. Our Level 3 Year 1 cohort were 5% above the previous year in achievement and 9% above in high grades. Early signs are the improvement trajectory will continue.

Students in receipt of free meals continue on an upward trend in all measures. The college focus on raising aspirations, encouraging excellent study habits serves this cohort of students particularly well. This cohort now has a trend of continually improvement at Monoux.

Students on Level 2 programs made good progress, with increasing numbers of students attaining higher grades, often above target grades, though too many students do not improve their grade in GCSE retakes for English and Maths.

The achievement of students in our 14-16 ALP provision was excellent (50% GCSE high grades).

Key developments 2022/23

Property strategy

A new property strategy has been developed, and the property strategy element of the Strategic Plan for 2023-27 includes some major refurbishment and building works, predicated on 3 principles:

Building for a new curriculum

- We require specialist accommodation for our T Level curriculum from 2024, as a priority in Science and Healthcare
- Or IT teaching spaces require development
- Our pre-16 courses require dedicated spaces

Creating adaptable and innovative spaces

- Alongside curriculum delivery, the college places a high priority on personal and skills development, key aspects that require well-planned spaces.
- We require a new flexible space for group activities, talks and welfare support.

A well maintained and sustainable estate

- We face significant maintenance and efficiency challenges
- We aim to improve our canteen, toilet facilities and refurbish classrooms.
- Our Sustainability Strategy includes goals for our estate and well- being.

Capital investment

In December 2022, the college successfully bid for Post 16 Capacity funding (£1.3m) and T Level Wave 5 funding (£750k).

In addition, the college was awarded funding for the purchase of specialist equipment for the delivery of T Levels (£873k).

The Post 16 Capacity funding will be used to build additional classrooms and refurbish other areas. The works are 100% funded from the awarded monies.

The T Level Wave 5 funding will be used to refurbish classrooms and laboratories in the existing science block to enable T Level delivery and replace the existing science block roof. The T Level Wave 5 works are supplemented by a contribution from the college of £118k.

The college will submit monthly returns with associated invoices for both projects, outlining the spend to date and the monies are then paid in arrears.

The projects are being run as one overall project with two funding streams, with completion expected by September 2024, in time for full operation at the start of the new academic year.

The required completion dates for building works from the funding body is March 2025 for both funding streams.

The building project will enable college capacity to increase from 1850 to 1930 full time learners.

Other capital funding

The College was also allocated a small capital grant for sustainability (£80k - Dec 2022) and an ONS reclassification grant (£357k - May 23). The sustainability grant was used to fund an upgrade of some of the campus lighting to more efficient LED lighting, and part of the reclassification grant will be used as the previously outlined contribution to the T Level Wave 5 project.

Income

In 2022/23, the College delivered activity that has produced £10,554,000 in ESFA allocation funding (2021/22 – £10,764,000). The College had 1,659 funded students.

Human resources

Our HR Strategy sets out how we will support and develop our staff in the context of strategic challenges and growth. We value well-being, fairness and professional development. The strategy is supported by regularly reviewed policies.

The HR strategy is broken down into various sections, each of which have clear and concise aims.

Section	Aim
Turnover	To retain employees and increase staff wellbeing
Equality and Diversity	To improve equality and diversity in all areas across the college
Attraction and Retention	The College wishes to attract and retain the right people with the right skills, competences and behaviours to help it achieve its strategic aims and objectives
Staff Development	To ensure each support staff team has a fully qualified member within the team, with a qualification specifically related to the role
Networking and Forums	For all staff to have the opportunity to attend networking events related to their role
Succession Planning	The College wishes its internal staff to develop the potential to fill key leadership roles when the opportunity arises
Well-Being	For all staff to enjoy working at the college and to improve staff morale
Recruitment	To successfully recruit first time for all vacant positions

The average age of employees within the college is 42 years. The workforce is diverse with Asian/Asian other making up 26% of the workforce, Black/Black Other making up 18%, White/White other making up 33% and Other Ethnic group with non-disclosures making up 23%. At present, the college only holds records for 3 employees known to have a disability. Last year's staff turnover across the college was higher than previous years at 18.18% for management, 37.68% for teaching staff, 24.4% for support staff and an overall percentage of 22.3% across the college.

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 committee 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 committee 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.

The risk register was refined and updated during the year. This is supported by a risk management training programme to raise awareness of risk throughout the college.

Outlined below is a description of the board level risks arising from our strategic plan 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.

Risk 1 - Learner numbers are below forecast levels		
Impact	**Category**	**Mitigation in Strategic Plan**
The college would be unviable without the take up of T Levels and the growth of A Level enrolments. Future sixth form status is reliant upon having a strong and popular A Level cohort. Failure to enrol students onto T Levels could result in the recall of significant sums of funding by the DfE.	The risk is considered highly likely with high impact. This is considered as an unacceptable risk requiring mitigation through our strategic plan.	1. Enhance college reputation through strong Ofsted outcome. 2. Curriculum and Support Strategy 3. Diversify curriculum through 14-16 recruitment and pre-Level 3 courses 4. Increase staffing for A Level curriculum 5. Skills Strategy 6. Marketing budget

Risk 2 - Academic Performance remains below national averages		
Impact	**Category**	**Mitigation in Strategic Plan**
As vocational courses are defunded after 2025, many learners would be ineligible for Level 3 study. Without high achievement rates on A Level courses, the college would be unable to grow numbers. The college, therefore, would be unviable without reaching a competitive performance level	At present, this scenario should be considered likely and high impact. This is considered as an unacceptable risk requiring mitigation through our strategic plan.	1. Curriculum & Support Strategy 2. Attendance Policy 3. Charter for Showing Up 4. Assessment and Graduation policies 5. A Level Tutoring Programme

Risk 3 - Inability to recruit and retain staff with appropriate skills and experience		
Impact	**Category**	**Mitigation in Strategic Plan**
Achievement rates, in particular high grade attainment, are depressed. Students are not well-supported. Critical business functions are placed at risk.	Recruitment challenges are considered likely with moderate impact.	1. Financial planning anticipates pay cost increases. 2. Provision of good quality training and qualification support will help to retain staff in key positions. 3. Effective leadership practice optimise our ability to retain staff, keeping people informed, involved and professionally interested.

Risk 4 - Property Strategy is not effectively managed		
Impact	**Category**	**Mitigation in Strategic Plan**
Recall of DfE funding would place the college in financial difficulty. Failure to improve accommodation for T Levels would negatively impact our market competitiveness.	The risk is high impact but unlikely	1. Compliance with funding contracts 2. Expertise in preparing bids for funding 3. Financial regulations for tender and cost management processes 4. Fundraising strategy 5. Land sale provides greater flexibility in scenario planning 6. Budgeting for IT development

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
- Employers with a national/international reach
- 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. The college has introduced the Monoux App which delivers timely updates to both students and parents. A revised and fully accessible website will be launched in December 2023.

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
3	3

Percentage of employee working hours spent on facility time	Number of employees
0%	0
1%-50%	3
51%-99%	0
100%	0

Description	Amount
The total cost of employee facility time	£8,745
The total pay bill	£7,315,499[1]
The percentage of the pay bill spent on facility time.	0.12%
Time spent on paid trade union activities as a percentage of total paid facility time	50%

[1] Note: This total pay bill figure does not include agency staff costs so will not match the total pay bill in note 7 of the accounts

Future developments

Student numbers and achievements

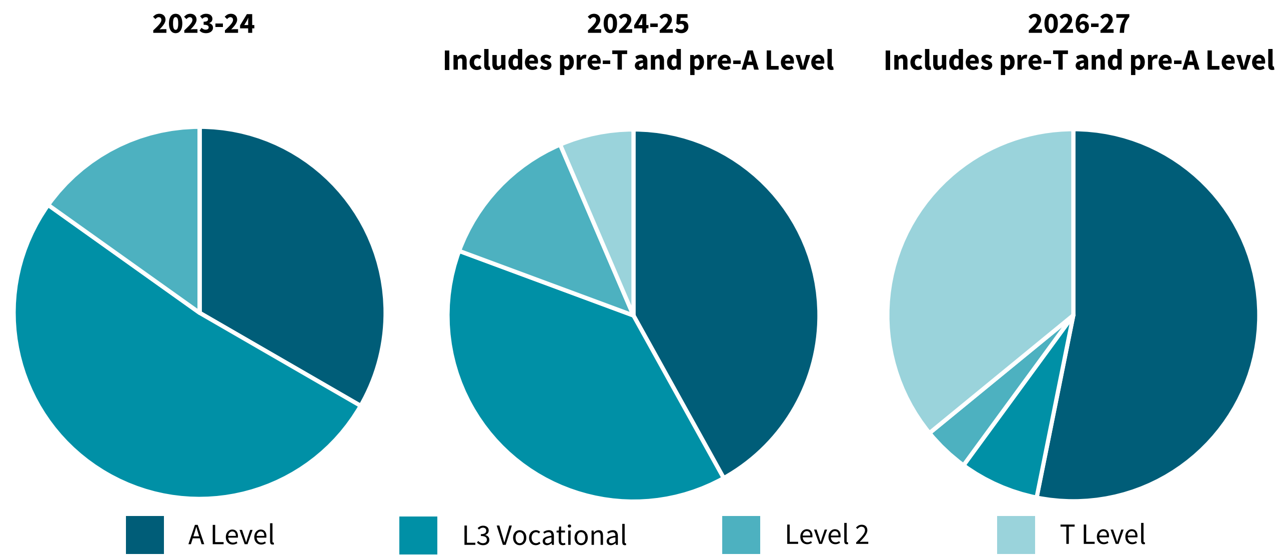
Student numbers are predicted to grow over the next few years due to demographic rise and increased popularity/retention:

	Starting Point	2024	2025	2026	2027
Funded learner numbers (Based on previous year enrolments)	1,745	1,830	1,870	1,870	1,930

14-16 enrolments are separate to the above and are predicted to rise from 50 to 100 over the same period.

There will also be significant curriculum change over the next 4 years, as vocational programmes are phased out and T Levels begin to be delivered:

Post-16 Curriculum Profile Development



In working to our vision of students being proud to study at Monoux and proud to meet high standards, we have 3 key priorities:

1. Ensure that students are **on-board and ready** with improved **oracy**
2. Always **teach** at the most **rigorous level**
3. Support students to **gain agency** for challenges today, tomorrow and beyond

Curriculum targets

	Starting Point	2024	2025	2026	2027
% of Level 3 students on an A Level programme	39%	42%	44%	49%	50%
T Level enrolment numbers	0	70	360	565	565
14-16 directly recruited numbers	50	70	90	100	100
Achievement rate for 2 year A level courses	80%	85%	86%	87%	88%
High grade (A*-B) rate for A Level courses	27%	41%	45%	48%	52%
Achievement rate for RQF vocational Extended Diplomas	88%	91%	93%	94%	95%
% progression into 2nd year of undergraduate study of leavers to HE	79%	83%	86%	89%	90%
% of leavers to HE attaining a high grade (1st or Upper 2nd) in their 1st degree	61%	70%	75%	81%	83%

Skills strategy

Most students at Monoux (80%) go on to study in universities within commuting distance of east London and are more likely to stay in London after graduation.

The Mayor of London Academies programme has identified priority sectors which are Digital, Health and Social Care, Green, Creative Industries, and Hospitality. Over the last four years, the college has added specialist provision that fits well with this regional demand for higher level skills. This includes new courses in law, computer science, and building design. Our plans for T Levels also fit with regional priorities – with the first T Levels planned to be Digital Production and Nursing/Midwifery during the 2024/25 academic year.

Most students progress to Higher Education, and the subjects they study at university align well with the areas of the greatest demand for skills regionally.

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 12th December 2023 and signed on its behalf by:

A Banks

Signed_______________________________ -

Date: 12th December 2023

Chair

Statement of corporate governance and internal control

The Corporation conducts its business through a number of committees: Governance and Remuneration, Resources, Audit, External Relations and Quality and Performance.

In 2022/23, John Kirk acted as Interim Clerk to the Corporation until 7th July 2023.

Kay Sandford-Beal was appointed as Director of Governance from 3rd July 2023

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 2022 to 31st July 2023 and up to the date of approval of the annual report and financial statements.

The college endeavours to conduct its business:

i) in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability openness, honesty and leadership), 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 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 2023.

In 2023/2024 a recommendation to adopt the revised AOC Code of Good Governance 2023 will be presented to the Corporation. The External Governance Review which took place in 2022/2023 will enable the college to focus on the further actions required in order to comply with the revised code and enhance the college's governance.

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.

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 (Ch), G	73%
Ms. M Benamer	Student	14.12.21	13.12.22	1 year	Q	33%
Mr. A Boucher	Independent	05.07.22		4 years	G, R (Ch)	91%
Mr. J Davies	Independent	05.07.22		4 years	A, E	73%
Professor P Dube	Co-opted	11.10.22	05.05.23	1 year	A	33%
Ms. A Dufie	Student	30.01.23		1 year	Q	60%
Ms. A Foster	Staff	10.05.22		4 years	A	88%
Ms. N Firth	Independent	09.05.23		4 years	E, Q	100%
Mr. C Grant	Independent	10.05.22	19.02.23	4 years	Ch	100%
Mr. S Jones	Independent	22.03.16	27.04.23	4 years	G, Q (VCh)	82%
Mr. W Khan	Student	14.12.21	13.12.22	1 year	E	33%
Ms. M Lewin	Independent	22.10.16		4 years	E, G (Ch)	100%
Ms. M Orafu	Independent	11.10.22		4 years	E, R	91%
Mr. A Owens	Independent	06.07.18	31.07.23	5 years	SVCh, G (Ch), Q (Ch)	83%
Ms. R Pretorius	Independent	09.05.23		4 years	G, R	67%
Ms. U Puri Dewage	Parent	12.11.21	31.07.23	1 year	A	43%
Mr. M Rahman	Student	30.01.23		1 year	E	80%
Ms. N Shah	Staff	17.12.19		4 years	Q, R	83%
Mr. T Stockings	Independent	26.02.22		4 years	A (VCh), E (Ch)	75%
Mr. D Vasse	Principal	01.09.16		N/A	E, R, Q	100%
Ms. S Whittaker	Independent	13.10.20		4 years	A, Q	75%
Mr. J Kirk	Interim Clerk	23.01.22				
Ms. K Sandford-Beal	Director of Governance	03.07.23				

Key to sub-committees

A = Audit
E = External Relations
G = Governance & Remuneration
R = Resources
Q= Quality & Performance
Ch= Chair
SVCh = Senior Vice Chair
VCh= Vice Chair

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. In 2022/23 these committees were Resources; Governance & Remuneration, Quality & Performance, External Relations and Audit.

Full minutes of all meetings are available from the Director of Governance at:

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

The Director of Governance 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	58%
External Relations	90%
Governance & Remuneration	94%
Quality & Performance	77%
Resources	78%

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 Director of Governance, 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 Governance and Remuneration Committee, which in the year ended 31 July 2023, consisted of five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate induction training is provided, together with the necessary ongoing development and support to enable Governors to discharge their responsibilities effectively. 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. Towards the end of 2022/2023 there were vacancies for four independent members of the Corporation. The roles were advertised over the summer period and all positions have now been filled for the new academic year. In 2023/2024 the Corporation will also look to extend its network of Co-opted Governors to strengthen the breadth of expertise and to support succession planning.

Corporation performance

An external review of governance was conducted in October 2022 with the report shared for information at the July 2023 Corporation meeting. The report included sections of good practice, together with suggestions and considerations for further development to improve college governance practice. The report was discussed at the October 2023 Corporation meeting and an action plan from the learnings of this report prioritised to be delivered throughout 2023-2024. The Corporation self-assessed its performance as good at a meeting of the Corporation in December 2023.

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

- The Clerk to the Corporation attended all AoC Regional Meetings, which include training and development from external contributors;
- The new Director of Governance started at the College in July 2023 and has joined the AOC London Clerks' and Governance Professional Network and the FE Clerks' Network.
- Governor recruitment, induction, and training policies have all been reviewed and updated;
- Targeted training opportunities provided by the AoC continue to be distributed to Governors and statutory training is provided via the college's HR section.

A Corporation Development Day was held in May 2023 to involve Governors in the Strategic Plan 2023-2027, together with discussion around the college's mission and vision and the role that Governors can play in the college's future.

Details of remuneration for the year ended 31 July 2023 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 former 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 Director of Governance). 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 Director of Governance, 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 post. All the posts mentioned in this paragraph are hereinafter referred to as "senior staff".

Audit committee

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

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

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

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

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

The audit committee met three times in the year to 31 July 2023. The members of the committee and their attendance records at the three meetings are shown below:

Committee member	Meetings attended
Mr. K Atta	2
Mr. J Davies	1
Ms. A Foster	2
Mr. T Stockings	2
Ms. S Whittaker	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 Chief 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 body. He is also responsible for reporting to the Corporation any material weaknesses or break- downs 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 2023 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 year ended 31st July 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

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

Risks faced by the Corporation

No significant internal control weaknesses were identified in the year.

Responsibilities under funding agreement

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The college has started to review its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the audit committee

The 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.

The areas of the college subject to internal audit for 2022/23 were:

Review area	Assurance level	High	Medium	Low	Advisory
Budgetary Control	Strong	0	0	0	0
Safeguarding	Strong	0	0	0	0
Anti-Fraud Framework	Significant	0	0	2	0
English and Maths	Strong	0	0	0	0

Review of effectiveness

As Chief Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. This 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 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 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 2023.

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 12th December 2023 and signed on its behalf by:

Signed______________________________		Signed___________________________	
Date:	12th December 2023	Date:	12th December 2023
Chair		Principal and Accounting Officer	

Statement of regularity, propriety and compliance

As Chief Accounting Officer I confirm that the corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

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

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

Signed______________________________ -

Date: 12th December 2023

Principal and Accounting Officer

Statement of the chair of governors

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

Signed______________________________ -

Date: 12th December 2023

Chair

Statement of responsibilities of the members of the Corporation

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

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA [delete if necessary - and any other relevant funding bodies], the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period.

Corporations must also prepare a strategic report which includes an operating and financial review for the year.

The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice.

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

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

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards.

It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly.

In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on the 12th December 2023 and signed on its behalf by:

Signed_______________________________ -

Date: 12th December 2023

Chair

Independent auditor's report to the members of the Corporation of Sir George Monoux College for the year ended 31st July 2023

Opinion

We have audited the financial statements of the Corporation of Sir George Monoux College (the 'College') for the year ended 31 July 2023 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 2023 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 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;
- 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

MHA
Chartered Accountants and Registered Auditor
London, United Kingdom

Date 20 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liablity partnership in England and Wales, Registered Number OC312313.

Reporting accountants' assurance report on regularity for the year ended 31st July 2023

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 2022 to 31 July 2023 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 2022 to 31 July 2023 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.

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 2022 to 31 July 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA

MHA
Chartered Accountants and Registered Auditor
London, United Kingdom

Date 20 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales, Registered Number OC312313

Statement of comprehensive income and expenditure

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Income			
Funding Council Income	2	10,912	10,950
Tuition fees and education contracts	3	400	400
Grants	4	15	16
Other income	5	89	90
Investment income	6	8	0
Total income		**11,424**	**11,456**
Expenditure			
Staff costs	7	8,221	8,603
Other operating expenses	9	3,133	2,969
Interest Payable	10	179	140
Depreciation	11	484	522
Total expenditure		**12,017**	**12,234**
Loss on disposal of Assets		0	0
(Deficit) before other gains and losses		**(593)**	**(778)**
Gain (loss) on investments		(2)	(1)
(Deficit) for the year		**(595)**	**(779)**
Actuarial gain in respect of the pension scheme		3,118	4,071
Total Comprehensive Income for the year		**2,523**	**3,292**
Represented by:			
Restricted Comprehensive Income		**(2)**	**(1)**
Unrestricted Comprehensive Income		**2,525**	**3,293**
		2,523	**3,292**

The notes on pages 37 to 56 form part of the Financial Statements.

Statement of changes in reserves

	Income and Expenditure account	Revaluation reserve	Restricted reserves	Total
	£'000	**£'000**	**£'000**	**£'000**
Balance at 31 July 2022	219	3,288	68	3,575
(Deficit) from the income and expenditure account	(593)			(593)
Other Comprehensive Income	3,118		(2)	3,116
Transfers between revaluation and income and expenditure reserves	53	(53)		0
Total comprehensive income for the year	2,578	(53)	(2)	2,523
Balance at 31 July 2023	2,797	3,235	66	6,098

The notes on pages 37 to 56 form part of the Financial Statements.

Balance sheet as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Non current assets			
Tangible Fixed assets	11	9,252	9,586
Investments	12	66	68
		9,318	**9,654**
Current assets			
Trade and other receivables	13	124	142
Cash and cash equivalents	18	2,283	1,278
		2,407	**1,420**
Creditors: amounts falling due within one year	14	(1,800)	(837)
Net current assets		**607**	**583**
Total assets less current liabilities		9,925	10,237
Creditors: amounts falling due after more than one year	15	(1,934)	(2,056)
Net assets excluding pension liability		**7,991**	**8,181**
Pension liability		(1,893)	(4,606)
Net assets		**6,098**	**3,575**
Revaluation reserve		3,235	3,288
Income and Expenditure account		2,797	219
Total Unrestricted Reserves		6,032	3,507
Restricted reserve - Rothery Bequest	23	66	68
Total reserves		**6,098**	**3,575**

The financial statements on pages 33 to 56 were approved and authorised for issue by the Corporation on 12th December 2023 and were signed on its behalf on that date by:

Signed_ ______ Signed________________________

Date: 12th December 2023 Date: 12th December 2023

Chair Principal and Accounting Officer

The notes on pages 37 to 56 form part of the Financial Statements.

Statement of cash flows for the year ended 31 July 2023

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
(Deficit) for the year		(593)	(778)
Adjustment for non-cash items			
Depreciation	11	484	522
Decrease/(Increase) in debtors	13	18	(21)
Increase/(Decrease) in creditors due within one year	14	963	(395)
(Decrease) in creditors due after one year	15	(122)	(121)
Pension costs less contributions payable	19	226	642
Adjustment for investment or financing activities			
Investment Income	6	(8)	(0)
Interest payable	10	179	140
Net cash flow from operating activities		**1,147**	**(11)**
Cash flows from investing activities			
Investment Income	6	8	0
Payments Made to Acquire Fixed Assets	11	(150)	(297)
		(142)	**(297)**
Cash flows from financing activities			
Interest Paid	10	0	0
(Decrease) /Increase in cash and cash equivalents in the year		**1,005**	**(308)**
Cash and cash equivalents at the beginning of the year		1,278	1,585
Cash and cash equivalents at the end of the year		2,283	1,278

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

The notes on pages 37 to 56 form part of the Financial Statements.

Notes to the financial statements

1 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 2022 to 2023 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 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 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 expenditure 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.

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.

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 and expenditure in the period it arises.

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty
In preparing these financial statements, management have made the following judgements:

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

Other key sources of estimation uncertainty

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding council grants

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Education and Skills Funding Agency 16-18	10,036	10,333
Releases of deferred capital grants	122	122
16-19 Tuition Fund	207	310
COVID-19 Test Centre Fund	0	9
Teachers Pension Relief Grant	240	166
Other	10	10
ESFA Energy efficiency capital grant	80	0
ESFA Post 16 Capacity Fund	8	0
ESFA T Level Capital Fund Wave 5	27	0
ESFA T Level delivery Wave 4 Fund	168	0
ESFA Academic Progression Programme Grant	12	0
ESFA Senior Mental Health Leads Grant	2	0
Total	**10,912**	**10,950**

3 Tuition fees and education contracts

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Local Authority 14-16 Year Olds	400	400
Total	**400**	**400**

4 Grants and contracts

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Sport England	0	13
Greater London Authority	15	3
Total	**15**	**16**

5 Other income

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Lettings	6	8
Exam retake fees	3	4
Photocopying charges	0	15
Other	80	63
Total	**89**	**90**

6 Investment income

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Other interest receivable	8	0
Total	**8**	**0**

7 Staff costs

The average monthly number of persons (including senior post-holders) employed by the college during the year expressed as full-time equivalents.

	Year ended 31 July 2023 Number	Year ended 31 July 2022 Number
Teaching staff	89	92
Non teaching staff	72	80
Total	**161**	**172**

Staff costs for the above persons	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Wages and salaries	5,907	5,957
Social security costs	597	565
Other pension costs	1,244	1,647
(including FRS 102 28 adjustments of £226,000 - 2022 £642,000)		
	7,748	**8,169**
Contracted staff	473	434
	8,221	**8,603**

Restructuring costs	- Contractual	10	2
	- Non-contractual	27	5
Total		**37**	**7**

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 Principal, Assistant Principals and Directors and members of the Corporation (who are not remunerated).

	2023 Number	2022 Number
The number of key management personnel including the Accounting Officer was:	9	4

The senior leadership team was reorganised in 2022/23, extending the number of senior leadership team members ("key management personnel"). This did not have any material impact on management costs across senior and middle leadership. The number of designated senior postholders reduced from 3 to 2. The number of senior leadership team members and other staff who received annual emoluments, excluding pension contributions and employers' national insurance but including benefits in kind, in the following ranges was:

	Key management personnel		**Other staff**	
	Year ended 31 July 2023	**Year ended 31 July 2022**	**Year ended 31 July 2023**	**Year ended 31 July 2022**
£40,001-£50,000	1			
£50,001-£55,000	1		1	
£55,001-£60,000				1
£60,001-£65,000	1			2
£65,001-£70,000	2			
£70,001-£75,000				
£75,001-£80,000				
£80,001-£85,000		1		
£85,001-£90,000	2	1		
£90,001-£95,000	1	1		
£95,001-£100,000				
£100,001-£105,000				
£105,001-£110,000				
£110,001-£115,000				
£115,001-£120,000				
£120,001-£125,000				
£125,001-£130,000				
£130,001-£135,000				
£135,001-£140,000		1		
£140,000 -£145 000	1			
	9	**4**	**1**	**3**

A pay award of 5% was paid to all staff.

Key management personnel compensation is made up as follows:

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Salaries	635,273	396,133
Pension contributions	100,549	77,679
Employers National Insurance	81,112	51,040
Total emoluments	**816,934**	**524,852**

There were no amounts due to Key Management Personnel that were waived in the year, nor any salary sacrifice arrangements in place. There were no restructuring costs in 2022/23.
Pension strain payments were made to the London Borough of Waltham Forest Local Government Pension Scheme for one member of staff in the year.

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

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Salary	144,233	137,798
Pension contributions	34,154	32,631

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 remuneration package of key management personnel, including the Principal, is subject to annual review by the Governance and Remuneration Committee of the governing body who justify the remuneration based on measurement of performance against set objectives reviewed through the annual appraisal process, balanced with benchmarking within the Further Education Sector

Senior post-holders, including the Principal and other higher paid staff, received a 5% cost of living pay rise phased across the year.

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

	2023	2022
Principal's salary as a multiple of the median of all staff	3.47	3.82
Principal's total remuneration as a multiple of the median of all staff	4.29	4.18

The methodology used compares the salary and compensation package of the Principal to those of all staff at the College, excluding agency staff.

The College paid 3 severance payments in the year, disclosed in the following bands:

	2023
0 - £25,000	2
£25,001 - £50,000	1

Included are special severance payments totaling £27,000. Individually, the payments were £27,000.

9 Other operating expenses

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Teaching departments	463	444
Non teaching costs	1,330	1,183
Premises costs	1,340	1,342
Total	**3,133**	**2,969**

Other operating expenses include:	**£'000**	**£'000**
Auditors' remuneration:		
External audit	22	21
Internal audit	13	12
Other services from internal audit	0	9
Other services from external audit	0	2

10 Interest payable

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Net interest on defined pension liability (note 19)	179	140
Total	**179**	**140**

11 Tangible fixed assets

	Freehold land & buildings	Equipment	Total
	£'000	**£'000**	**£'000**
Cost or valuation			
At 31 July 2022	17,249	2,739	19,988
Additions	0	150	150
Disposals	0	(531)	(531)
At 31 July 2023	**17,249**	**2,359**	**19,608**
Depreciation			
At 31 July 2022	8,944	1,458	10,402
Charge for year	296	188	484
Disposals	0	(531)	(531)
At 31 July 2023	**9,240**	**1,116**	**10,356**
Net book value At 31 July 2023	**8,009**	**1,243**	**9,252**
Net book value At 31 July 2022	**8,305**	**1,281**	**9,586**

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.

12 Investments

	£'000
Balance at 1 August 2022	68
Revaluation	(2)
Balance at 31 July 2023	**66**

The investment is in the Charities Official Investment Fund

13 Trade and other receivables

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Amounts falling due within one year:		
Other Debtors	15	53
Prepayments and accrued income	109	89
Total	124	142

14 Creditors: amounts falling due within one year

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Trade creditors	37	40
PAYE/ NIC	2	2
Deferred capital grants	122	122
Accruals and deferred income	1,639	673
Total	1,800	837
Included above within accruals are holiday pay accruals	228	241

15 Creditors: amounts falling due in more than one year

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Deferred capital grants	1,934	2,056
Total	1,934	2,056

16 Deferred capital grants included above

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Opening balance	2,178	2,300
Released to income	(122)	(122)
Closing balance	2,056	2,178

17 Contingent liabilities

There are no contingent liabilities.

18 Cash and cash equivalents

	At 31 July 2022 £'000	Cashflows £'000	At 31 July 2023 £'000
Cash and cash equivalents	1,278	1,005	2,283
Total	**1,278**	**1,005**	**2,283**

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). Both are multi-employer defined-benefit schemes.

Total pension scheme cost for the year

		2022/23 £'000		2021/22 £'000
Teachers Pension Scheme: contributions paid		708		620
Local Government Pension Scheme:				
Contributions paid	310		385	
FRS 102(28) charge	226		642	
Charge to the Statement of Comprehensive Income and expenditure		536		1,027
Enhanced pension released:				
from provisions		-		-
from creditors		-		-
Total Pension Cost for year within staff costs		1,244		1,647

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 2020 and of the LGPS at 31 March 2022. A new valuation is due shortly.

There were no outstanding or prepaid contributions at either 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 and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023.

The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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 28.68% of pensionable pay from 1 April 2024 onwards (compared to 16.48% during 2018/19). DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022/23 academic year and this has been agreed for 23/24.

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 £708,000 (2021/22: £620,000)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by Waltham Forest Local Authority.

The total contributions made for the year ended 31 July 2023 was £452,000 of which employers' contributions totalled £310,000 and employees' contributions totalled £142,000. The agreed contribution rates for future years are 15% for employers and 5.5-12.5% for employees.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the Fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of CPI inflation	2.70	2.70
Rate of increase in salaries	4.20	4.20
Rate of increase for pensions	2.80	2.80
Discount rate for liabilities	5.10	3.50

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 2023	At 31 July 2022
Retiring today		
Males	21.4	22.6
Females	23.7	25.1
Retiring in 20 years		
Males	22.5	24.1
Females	25.4	27.0

Sensitivity analysis

	At 31 July 2023 £'000	At 31 July 2022 £'000
Discount Rate +0.5% pa	885	1,235
Inflation +0.25% pa	(472)	(630)
Pay growth +0.25% pa	(71)	(33)
Mortality assumption - 1 year increase	(224)	(295)
Investment Returns +1%	87	82
Investment Returns -1%	(87)	(82)

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 2023 £'000	Value at 31 July 2022 £'000
Equities	5,606	4,978
Other Bonds	1,307	0
Property	909	908
Other	450	1,970
Cash/liquidity	381	251
Total market value of assets	**8,653**	**8,107**

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

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Fair value of plan assets	8,653	8,107
Present value of plan liabilities	(10,546)	(12,713)
(Deficit) in the scheme	**(1,893)**	**(4,606)**

Amounts recognised in the statement of comprehensive income and expenditure in respect of the plan are as follows:

	2023 £'000	2022 £'000
Current service cost	536	1,027
Curtailments	0	0
Administrative costs	22	16
Interest	157	124
	715	1,167

Amounts recognised in other comprehensive income:

	2023 £'000	2022 £'000
Return on pension plan assets	(91)	392
Experience (gains)/ losses on defined benefit obligations	(3,027)	(4,463)
	(3,118)	(4,071)

Amounts recognised in the statement of comprehensive income and expenditure in respect of the plan are as follows:

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Amounts included in staff costs		
Current service cost	536	1,027
Total	**536**	**1,027**
Amounts included in investment income		
Net interest cost	(157)	(124)
Total	(157)	(124)
Amount recognised in other comprehensive income		
Remeasurements	3,118	4,071
Total	3,118	4,071

Movement in net defined benefit (liability)/asset during year	**£'000**	**£'000**
Net defined (liability) in scheme at 1 August	(4,606)	(7,895)
Movement in year:		
Current Service Cost	(536)	(1,027)
Employer contributions	310	385
Net interest on the liability	(157)	(124)
Curtailments	0	0
Administration expenses	(22)	(16)
Actuarial gain	3,118	4,071
Net defined (liability) in scheme at 31 July	**(1,893)**	**(4,606)**

	Year ended 31 July 2023 £'000	**Year ended 31 July 2022 £'000**
Changes in the present value of defined benefit obligations		
Defined benefit obligation at beginning of period	12,713	16,149
Current service cost	536	1,027
Interest on pension liabilities	444	257
Contributions by scheme participants	142	148
Experience loss/ (gains) on defined benefit obligations	1,340	1,045
(Gain) on financial assumptions	(3,834)	(5,396)
(Gain) on demographic assumptions	(533)	(112)
Estimated benefits paid	(262)	(405)
Defined benefit obligations at end of period	**10,546**	**12,713**
Fair value of plan assets at start of period	8,107	8,254
Interest on plan assets	287	133
Return on plan assets	91	(392)
Administration expenses	(22)	(16)
Employer contributions	310	385
Contributions by scheme participants	142	148
Estimated benefits paid	(262)	(405)
Fair value of plan assets at end of period	**8,653**	**8,107**

The estimated value of employer contributions for the year ended 31st July 2023 is £310,000.

20 Post balance sheet events

There have been no post balance sheet events.

21 Capital commitments

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Commitments contracted for at 31 July	0	0

22 Lease obligations

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Other		
No later than one year	55	51
Later than one year and not later than five years	175	-
Total lease payments due	230	51

23 Restricted reserves

The college holds funds that have not been contributed to from public money. These funds have traditionally been the result of fund raising, but have more recently been added to thanks to the generosity of the Drapers' Guild. The College Corporation have specified that these funds must only be utilised for the support of student educational visits.

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.

24 Related party transactions

Due to the nature of the College's operations and the composition of the board of governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving organisation 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.

25 Amounts disbursed as agent

Student bursaries

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Funding body grants	264	269
Interest earned	0	0
Administration fee	(10)	(10)
	254	259
Disbursed to students	221	232
Balance at 31 July	**33**	**27**

ESFA grants are available solely for students; the college acts only as a paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

The balance of these grants will be disbursed in 2023/24.