

CITY COLLEGE PLYMOUTH

REPORT & FINANCIAL STATEMENTS

31 JULY 2021

Key Management Personnel, Board of Governors and Professional Advisers

Key Management Personnel

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

Jackie Grubb - Chief Executive/Principal (Accounting Officer)
Ben Manning - Executive of Curriculum, Quality & Student Experience
Lorraine Hill - Chief of Finance
Mark Trewin - Chief Digital Transformation Officer
Click consultant - covering projects and Interim Partnerships and Commercial Transformation Officer (Left 30 July 2021)

Board of Governors

A full list of Governors is given on page 24-25 of these financial statements.

The following have acted as Clerk to the Governors during the year:

Ms Unity Stuart until 31 January 2021
Ms Lesley Venables from 16 November 2020 to 17 March 2021
Mrs Heather Cross, FCIS from 22 March 2021

Professional advisers

Financial statements auditor and reporting accountant:

PKF Francis Clark
Chartered Accountants and Statutory Auditors
North Quay House
Sutton Harbour
Plymouth
PL4 ORA

Internal auditor:

Bishop Fleming
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
Devon
PL4 0BN

Banker:

Barclays Bank PLC
4th Floor
Bridgwater House
Counterslip
Finzels Reach
Bristol
BS1 6BX

Solicitor:

Wolferstans
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60-66 North Hill
Plymouth
PL4 8EP

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City College Plymouth Financial Statements for the Year Ended 31 July 2021

Strategic Report

NATURE, OBJECTIVES AND STRATEGIES

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

Legal status

The Corporation was established under the Further and Higher Education Act 1992 and the College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The Corporation was incorporated as Plymouth College of Further Education. The Secretary of State granted consent to the Corporation to change the College's name to City College Plymouth with effect from 1 December 2006.

Vision and Purpose

Governors reviewed the College's vision and purpose during 2020/21 and adopted a revised statement in July 2021 as follows:

Our vision and purpose - To be the learning destination of choice.

Our values

- Respect
- Ownership
- Integrity

Our priorities

- Staff - Our most important investment
- Students - Our purpose
- Community - Making a difference
- Achievement - Reputation for success
- Wellbeing - Infusing health into everyday

8 Strategic Actions

We have identified the following Strategic Actions.

1. Curriculum Strategy
2. Assets and Estates
3. Finance
4. People
5. Systems and Processes

6. Health and Wellbeing
7. Manufacturing, Maritime and Construction
8. Opportunities

Each strategic action has been allocated an owner who is responsible for preparing strategic action plans in support of the delivery of the operational elements of the strategic action.

Financial objectives

The Finance Strategic Action will support the creation of our College vision (to be The Learning Destination of Choice), ensuring financial resilience for security and driving growth and innovation for the future. Supporting the delivery of the other strategic actions by generating and reallocating funding to invest into resources. We will develop financial agility by leading, identifying and prioritising actions supported by timely and accurate information to inform decision making.

Recognition of the importance good financial health has on our ability to achieve becoming the learning destination of choice. It forms the foundation for the success of the seven other strategic actions.

Good financial health has never been more crucial, that is why we have a clear plan for the future.

One key aspect of this plan is being able to quickly identify new streams of revenue through funding opportunities, projects and partnerships. This can only happen with the right people in the right place, which is why the College has been expanding its highly talented team.

Maximise return on current sources of revenue, including commercial ventures such as the PL 1 restaurant, Stars Hair and Day Spa and our student-run media agency One 20 Digital. The College will also ensure current revenue streams are distributed in the most appropriate and effective way.

By 2026 - Our plan won't only see us maintain good financial health but successfully generate outstanding financial health, achieve a minimum of 2% of turnover as operational surplus and secure an additional £5million of surplus generating new income, allowing us to further drive growth and innovation whilst supporting delivery of the other seven strategic actions.

A secure and sustainable financial future will enable us to continue changing lives through education and will support our efforts in becoming the learning destination of choice.

A series of indicators have been agreed to monitor the successful implementation of the policies. The financial objectives will be reviewed as part of the finance strategic action plan.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives.

Tangible

Tangible resources include the main college site.

Financial

The College Group has £17,765,000 (2019/20: £16,660,000) of net assets excluding the defined benefit pension obligation of £42,913,000 (2019/20: £43,574,000). There is a long term loan of £3,758,000 (2019/20: £4,297,000).

People

The College Group employs 693 people of whom 487 are teaching staff.

Students

The College Group enrolled approximately 7,997 students. The college's student population includes 2,711 16-to-18-year-old students, 1,562 apprentices, 617 higher education students of which 46 were international students, and 4,457 adult learners.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, City College Plymouth has many stakeholders. These include:

- Students;
- Staff;
- Governors;
- Education sector funding bodies;
- FE Commissioner;
- Local employers (with specific links);
- Local Authorities;
- Local Enterprise Partnerships;
- The local community;
- Other FE and HE institutions;
- Trade unions;
- Professional bodies;
- Parents/Carers

The College recognises the importance of these relationships and engages in regular communication with them through the College website and intranet sites, direct communications and via meetings and networking events.

It considers good communication with its staff to be as important as external stakeholders and, to this end, holds termly staff meetings and staff receive regular College news (Pinpoint) where information is disseminated and staff engagement is encouraged; in addition updates through Principal briefings and the intranet (Staff Central) continue to be further means of engaging and garnering feedback. Appraisal, e-mail, Google Chat and team briefing systems are fully utilised, and the College encourages staff and student involvement through membership of formal committees.

Two student governors and two staff governors are members of the Corporation.

The College carries out regular surveys on both student and employer perceptions of the College and student and staff feedback on particular issues is encouraged by the focus groups. A staff satisfaction survey is conducted annually.

The FE Choices learner satisfaction and employer satisfaction surveys were postponed again this year due to COVID-19 but in the previous year, learner satisfaction was 93.9% placing the College third in the country, and second in the South West. The employer satisfaction rates were also high at 89%. The College's internal survey which took place in May 2021 reflects these high levels of satisfaction with learners overall satisfaction with the College improving to 94% good or better, a 1% increase when compared to 2019-20 and when compared to term 1, exceeding the College target of 93%, and equaling the highest overall satisfaction the College has received to date.

PUBLIC BENEFIT

City College Plymouth is an exempt charity under the Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 24-25.

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

In delivering its mission, the College provides identifiable public benefits through the advancement of education to 10,811 students, including 206 students with high needs. The college group provides courses without charge to young people, to those who are unemployed and adults taking English and Maths courses. The college group adjusts its courses to meet the needs of local employers and provides training to 1,945 apprentices. The college group is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

The college group provides high-quality teaching and has strong student support systems. Activities are undertaken to engage with hard to reach students and those from disadvantaged backgrounds. Bursary funding is used to support students with travel to college and help towards meal costs and costs such as childcare. Contributions towards equipment and personal protection equipment (PPE) are available. The college group wishes to ensure that no student is excluded from learning and reaching their full potential.

The College has an excellent employment record for students through its strong links with employers, industry and commerce, and links with the local authority and Local Enterprise partnerships (LEPs).

The College has a high quality careers system that helps young people have the best start to their working lives and provides high quality careers advice, free to all, in line with the Governments Careers Strategy.

DEVELOPMENT AND PERFORMANCE

FINANCIAL RESULTS

The Group generated a deficit after adjusting for actuarial gains in the year of £1,399,000 (2019/20: £464,000 surplus).

Reconciliation of accounting to operational performance

In the compilation of statutory financial statements there are a number of accounting adjustments made which translate the underlying operational performance of the College to the reported accounting position. For transparency and to assist the reader of these financial statements, the following reconciliation is provided:

	2021	2020
	£'000	£'000
College Operational Surplus	915	2,158
Gift aid from subsidiary undertaking	271	182
Adjustments for defined benefit pension obligations	(2,503)	(1,664)
Movement in holiday pay accrual	(15)	(173)
Reported College Surplus/(Deficit) for the year	(1,332)	503
Subsidiary undertaking Surplus	0	27
Amortisation of goodwill on consolidation	(66)	(66)
Reported Group Surplus/(Deficit) for the Year	{1,398}	464

The College proactively manages its cost base and has aligned staffing levels to delivery requirements whilst maintaining high quality teaching, learning and assessment, and student outcomes. The College carefully monitors cashflow through daily and weekly cashflow forecasts and reports against loan covenants within the monthly management accounts. A cashflow template is submitted to the ESFA on a monthly basis and regular reviews of the cashflow are held with the College bankers, Barclays. Plans are monitored regularly by the Board.

2020/21 has been challenging in terms of monitoring the College finances as a result of the COVID-19 situation making forecasting difficult due to uncertainties in delivery of certain provisions. Weekly detailed monitoring was implemented for income streams which could be at risk. Despite initial concerns and a number of financial risks being identified during the pandemic, an improvement in the financial situation was seen as each month passed with the initial risks offset to some extent by income guarantees in respect of both 16-18 and AEB funding, and significant cost savings realised whilst the College remained all but closed to students. The assumed loss in income from apprenticeship delivery did not materialise with the apprenticeship income earned for the year exceeding the original budget target.

Cash flows and liquidity

At £5,575,000 net cash inflow from operating activities (2019/20: £3,751,000 inflow) was strong. The increase from the prior year is due to the reported improvement in the operating performance before depreciation and capital losses. In addition, there was an improvement in forecasted apprenticeship income, an increase in HNS income, a reduction in EPA costs and capital grant income received in year which was not fully spent.

Cash in hand at the end of July 2021 at £8,995,000 was significantly higher than the previous year (2019/20: £4,749,000). The 2020/21 figure includes grant funding received in year which was not reflected in the cash outflow in year due to timing, it will be all expensed in 2021/22.

The size of the College's total borrowing and its approach to interest rate management, is monitored to ensure there is a cushion between the total cost of servicing debt and operating cash flow. During 2020/21 the cushion was sizable: the interest paid of £132,000 was clearly exceeded comfortably by the operating cashflow of £5,575,000.

Reserves

The College Group has accumulated reserves (excluding pension liabilities) of £17,765,000 (2020: £16,660,000) and cash balances of £8,995,000 (2020: £4,749,000).

Sources of income

The College Group relies on the various funding bodies for its principal funding source, largely from recurrent grants. In 2020/21 the various funding bodies provided 80.64% of the College Group's total income.

Group companies

The College has a subsidiary company, Achievement Training Limited, a private training provider operating in Plymouth. Any taxable profits generated by the subsidiary are transferred to the College under deed of covenant (gift aid). In the current year, the surplus gift aided was £271,000 (2020: £182,000).

CURRENT PERFORMANCE AND HIGHLIGHTS

The College is committed to observing the importance of sector measures and indicators and use the FE Choices data available on the GOV.UK website which looks at measures such as achievement rates. The College is required to complete annual financial returns for the Education and Skills Funding Agency (ESFA). The financial health score for 2019/20 was calculated as 'Outstanding' however the College moderated this down to 'Good'. This was moderated downwards due to the global pandemic and the exceptional circumstances surrounding this. For 2020/21, once again the calculation is returning a score of 250 points which equates to 'Outstanding'. As with the prior year, the College is moderating itself to 'Good'. This would be in line with the monthly management account forecasts.

College highlights

We are bold and ambitious not just for our college and for our students, but for the whole of the city and we have much to celebrate. Ultimately colleges like ours are judged by the achievements of our students. We know that students rate their experience very highly with us, as do those employers with whom we work.

The College is engaging fully with its communities, providing the highest quality education and training and creating opportunities not just for the young people of Plymouth, but for adults returning to learn, people seeking to enhance their career opportunities and those looking for employment.

In the past year, the College has progressed further in its digital journey to support more innovative teaching and learning, as well as staff turning to digital communications as opposed to paper based; this is set to continue and develop in the coming year as the College moves to a Google Reference College.

Ultimately, the College's vision *"to be the learning destination of choice"* is driving our commitment and engagement both with internal and external stakeholders.

Some specific achievements include:

- **Institute of Technology** - in order to house our growing marine operations, we established the College within the Oceansgate Marine Enterprise Zone, offering a world-class hub and test facilities for marine research, innovation and production as part of the South West Institute of Technology. Planning permission was granted for a change to education use at Oceansgate with completion handover in July 2021. This cutting-edge facility was renamed the Centre for Higher Technical Innovation & Marine Skills (TIMS) to provide a clear identity for the skills that will be developed. The College has welcomed high profile visitors to the facility including Sir Keir Starmer (Leader of the Labour Party), the Marine Business Technology Centre members, the Government's Levelling Up Unit and we await the confirmation of an official Government minister to officially open the centre in November 2021.
- **Digital Accelerator - Heart of the South West LEP Capital investment funds** - secured to support the digital transformation and IT infrastructure process at the College which was to enable digital leadership resources to empower College leaders to become digital leaders, setting best practice, driving operational change and digital transformation, and reducing and removing paper-based working. This digital expenditure is complemented by a digital training programme to ensure staff and students are trained to maximise use of devices and equipment, driving innovation in the classroom and in wider College life.
- **Getting Building Funding - Heart of the South West LEP Capital investment funds** - secured to provide the College's Augmented Reality Welding Suite and launched by the Chair of the Plymouth Manufacturers' Group in September 2021; this cutting-edge facility supports the pipeline for welders in Plymouth and the surrounding region - a displacement of skills arising from key strategic projects such as Hinkley Point. Furthermore, a major employer in the City has an immediate need for welders and the College is now facilitating their needs through this innovative facility.
- **Beacon Awards 2020/21 - Commended** - to promote the work being carried out by the International team with its European Apprenticeship Talent Programme and further raise the College's profile as an award-winning college, the College entered the British Council International Award category. The College was announced as a finalist and welcomed representatives from the Association of Colleges in January for the judging process to take place. The College was praised nationally for its examples of best practice for its work with companies and employers abroad.
- **FE First Award - Silver** - following successful virtual recruitment events, the College submitted an entry into the FE First Awards Event of the Year category. The award submission focused on the huge College-wide effort that went into making the first virtual event so successful, and what the College learnt from the process when holding further online recruitment events later in the year. The College received a joint silver place for this award.
- **Colleges Week - Community Engagement** - as part of the Association of Colleges 'Love Our Colleges Week' campaign the College continued to raise its profile within the local community (internally and externally) through an in-house produced video which was then streamed on social media and received high levels of engagement; more than 30 local employer partners took part to show their support of the College here, and all community members were featured to reflect the inclusive College community.

FUTURE PROSPECTS

Financial plan

The College governors approved a financial plan in July 2021 which sets objectives for the period to 2023. The College aims to maintain its health rating of 'Good' and report a surplus of £129k in the year to 31 July 2022.

The financial strategy of the College is to ensure that it remains sustainable and financially viable in the long term whilst meeting the objectives set out in the Strategic Plan. The budget and forecast has been developed with the aim of maintaining a sustainable level of financial performance, consistent with that of a Good financial health rating, whilst seeking out growth opportunities which may in themselves require investment. A group surplus is forecast throughout the financial plan period.

It is also possible that some areas of delivery (for example, training for the unemployed) will increase and new funding income will be available to support this. This potential income opportunity has not been modelled in the budget, as it is still speculative at this stage. Equally, no changes in funding policy have been assumed.

If the forecast is achieved, impact on cash and solvency will be manageable, which is the overriding driver for the immediate financial objectives.

Future developments

Future developments include T-level Capital Fund for circa £750,000 for infrastructure works to develop the west wing of the construction building into our T-level innovation hub, supporting the roll out of T-levels and improving overall improving our estate, ensuring a better learning environment for students. This will be complete in Sept 2022. The College has also procured the services of a design consultancy to take forward our Masterplanning exercise for Kings Road, bringing to life our Assets and Estates Strategy.

The £1.5 million South West Institute of Technology at Oceansgate will enable the College to deliver an industry-and world leading higher education curriculum supporting Plymouth's growth and priority sector in marine and manufacturing technologies which is underpinning by the £350,000 Augmented Welding programme.

Revenue programmes will continue with the implementation of the £650,000 ESF Health and Social Care Project and the £250,000 ESF Digital Smart Specialisation, supporting local employers such as SMEs and larger employers such as Plymouth City Council with digital skills training that is bespoke and relevant to their sector.

Curriculum developments

We have been responding to a changing economy with education that connects learning and our learners to the real world, working with students, employers and other stakeholders to shape a flexible, agile skills provision, supporting employment, innovation and productivity through our curriculum strategic action. Over the last academic year our strategic action for our curriculum is reflecting the College's passion to transform futures through high-quality teaching and learning. It is building a vibrant and exciting curriculum that is distinctive, flexible, employer-led and truly responsive, which embraces opportunities and exceeds stakeholder expectations.

We are therefore continuing to create a curriculum that surpasses the requirements of both students and employers of today and tomorrow.

The College has an excellent reputation for curriculum innovation and change. Following an enhanced curriculum planning phase and alignment to our EMSI tool, it has introduced new courses in many areas of the curriculum to fully meet student and employer needs.

The College is taking a leading role in the city in extending the available foundation learning curriculum that is innovative and meets the needs of students.

A key theme is the enhancement of our students' employability skills: literacy, numeracy, and IT skills; positive attitude; thinking and solving problems; working together and communicating; and understanding business. The curriculum will continue to be enhanced to ensure that our learners have opportunities for developing, demonstrating, and recording these skills.

To enhance our student experience even further and the developments of our offer, the College has started transforming and increasing the types of devices that support staff and students at the College. To realise the Colleges ambition of being a college of the future the resource specification has had to change to support a truly agile and dynamic way of working for both staff and students. Since September 2020 the College has invested in and rolled out a significant number of digital devices. For instance: additional Chromebooks for classrooms and for students to borrow from the library, and turning classrooms into agile, teaching and learning spaces where students and teachers can use technology in a flexible way, creating a dynamic space that supports a greater range of activity. As a result, technology loans have increased exponentially due to the quality of the devices and the use of our Google Workspace tools. The Colleges vision is to continue with flipping static resources with agile and appropriate technology to realise vision and values and continue its digital journey with the aim of becoming a Google Reference College within the next 18 months, these Colleges are recognised for their outstanding use of technology to drive positive learning outcomes.

The College has continued the successful Jumpstart and home-schooling programme, for 14-16-year-old learners. Jumpstart provides alternative provision to support young people in their final years of compulsory education. The main emphasis of this expansion is to provide opportunities for pupils to experience further education and to engage in work related learning and to encourage post 16 education. To enhance the opportunities for our city NEETs even further we have also reviewed our provision to ensure we are being truly responsive and a key member of the city's NEET taskforce.

The College has developed bespoke HE provision in line with employer driven demand. This has created opportunities to diversify income and move to full cost recovery working with employers, and working more closely with sector skills councils to identify specific skills gaps. A range of progression activities also encourage greater take up of HE from level 3 courses at the College via our Next Steps South West workings across the city..

The apprenticeship levy and changes to rules around apprentice qualifications has enabled the college to embrace changes to apprenticeship delivery, working with our partner organisations to develop bespoke apprenticeship 'standards' qualifications and move away from the traditional apprenticeship frameworks.

Many of our students have low levels of prior educational achievement. The College is growing the range of courses aimed at students who are returning to education. These include the Personalised Learning Programme and Skills for Life programmes.

Other courses prepare students for university. These include:

- Access courses for adults
- Close liaison with the University of Plymouth and Plymouth Marjon University for the delivery of a wide range of Foundation Degree programmes

The College is working on different methods of delivery, including a greater element of online learning, linked very much to our digital agenda where all our courses now have an element of online delivery. In addition, we have specific online courses for Care, Business and Maths GCSEs and are looking to expand this provision even further.

We have developed a suite of sports qualifications under the YMCA banner specifically focusing on health and fitness. Given the city and the region's growing and aging population and the overreliance on health services, the College has also modified its Wellbeing & Health provision linked to an associated strategic action, thereby ensuring its training the workforce of the future, working collaboratively across the region for our community. The College is also looking at offering traineeships in hair and beauty and hospitality. In addition, the College will be offering the new T Level qualifications in September 2022. These qualifications are designed to bring together classroom and work placement on courses designed with employers and businesses. Areas of focus for the College will be Digital, Construction, Engineering, Care, Healthcare/Science and Business. Specifically linked to our Technology, Marine & Renewables faculty we have also ensured that an extended employer responsive offer is available by also providing full cost provision across a range of sectors.

Our contribution over the last 12 months to the Southwest Institute of Technology and the creation of our Maritime Centre of Excellence at Oceansgate has started to open new doors into curriculum enhancement. As an example, the College is now leading the way in Marine Autonomy and alternative fuels with significant expansions taking place in our Maritime, Manufacturing, Construction and the Built Environment offer directly associated with newly formed strategic action in this field.

Higher Education

The College now works with three awarding bodies (University of Plymouth, Plymouth Marjon University and Pearson) to support the development and delivery of a greater breadth of Higher Education courses to meet internal progression demand, and local/ regional higher level skills gaps. New curriculum includes the HNC Applied Science and the BSc (Hons) Integrated Technologies Engineering (developed through SWIoT). We have been successful in our application to have our FdSc Software Development awarded the Software Developer Higher Technical Qualification (HTQ) kitemark, for delivery from 2022. This is the first confirmed HTQ in the City, supporting our position in leading the way for higher level, employer focused provision within the digital sector. HTQs will be a priority area of development for us moving forward, and we have submitted the applications for three Construction HTQs and one Health HTQ for delivery from 2023.

Institute of Technology

The College has also been successful in its bid to be recognised as an Institute of Technology (IoT) which is formed from a collaboration between Further Education providers, Higher Education providers and employers. The IoT will offer top-quality training and apprenticeships in higher-level technical skills with a particular focus on science, technology, engineering and mathematics (STEM).

The mission of the South West Institute of Technology is to:

- provide employers with the skills that they need to succeed, now and in the future
- provide learners with excellent technical education
- enable the South West to become one of the world's leading regions for digital, engineering and manufacturing technologies

The Centre for Technical Innovation and Maritime Skills sits within the Marine Enterprise Zone at Oceansgate and was built with the intention of creating high specification workshops and classrooms with employers needs in mind.

After receiving £2m through the South West Institute of Technology collaborative fund, the college has spent £1.5m providing a state of the art facility, which will not only provide suitable facilities for the delivery of higher education programmes linked to maritime, manufacturing, construction and built environment sectors, but also provide employers with the ability to undertake research and development activities working with both students and staff in an innovative environment.

The ground floor of the building has been fitted out with three bespoke lab areas to enable the delivery of the college's new marine autonomous vehicle foundation degree and a new HNC for the manufacturing maintenance sector, along with its existing provision in relation to electrical and mechanical engineering university-level qualifications. Whilst two new workshops have also been created with the industries desire to create and develop innovative composite material and bespoke structures in mind. The upper floor has traditional but flexible teaching spaces, along with 3D printing technologies and a virtual reality training room, which can also be doubled up as a virtual teaching room.

Alongside the development of a new state of the art building, brand new degree programmes have been developed as part of the South West Institute of Technology project. The college has worked closely with local employers to build a needs analysis, and from this have developed four Bachelor of Science degrees linked to naval architecture, marine engineering, integrated technologies and marine autonomous systems. These programmes will further shape the future workforce, and allow students to continue their studies on a part-time basis through following their level 4 and 5 study programmes.

The centre was due to open in March 2021, however, it eventually opened in September 2021 due to the impacts of Covid, which not only delayed building works, but also meant that much of the delivery intended for this new facility remained online. The impact of these delays has resulted in increased building and equipment costs, along with some impact to student outcomes and the recruitment of new students for the 21/22 academic year.

Digital transformation

The College has been going through a period of transformation in the last 18 months with digital being a primary focus with investment from College funds and grant funds, including:

- A new student records system:
- HR and Payroll System - MHR
- Digital Device Rollout
- Our shift in digital strategy has supported all students during the pandemic

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Chief Finance Officer (CFO), in liaison with the Head of Finance. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum / Funding Agreement.

The College has no plans to increase borrowings in the near future.

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College Group reserves include £44,000 held as restricted reserves. As at the balance sheet date the Income and Expenditure reserve excluding pension provision stands at £13,010,000 (2020: £11,621,000). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

The College continues to embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

The College has a comprehensive risk register which is reviewed and updated by the Risk Management group. The risk register is reviewed at each Audit Committee, and specific high risk areas are also monitored by individual committees. 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.

COVID-19:

The principal risks and uncertainties for 2021/22 and beyond are likely to be sensitive to COVID-19 related matters. The budget set for 2021 /22 reflects current anticipated impact in various income streams and continuing increased costs relating to COVID-19.

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

1. Government funding

The College has considerable reliance on continued government funding through the further education sector funding bodies. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding, including further reforms to apprenticeships, the introduction of 'T' levels and the devolution of the adult education budget. The College, in conjunction with its key stakeholders has developed a financial strategy.

This risk is mitigated in a number of ways:

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

2 Tuition fee policy

The current fee assumption remains at 50%, although a Government review of FE funding is expected in the near future. In line with the majority of other colleges, City College Plymouth reviewed tuition fees in accordance with the fee assumptions. The removal of funding from many traditional L3 courses towards more technical qualifications, which will have the result of forcing more students down the loan route until the College moves to the new qualifications, brings a risk that demand falls as fees increase. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students.
- Close monitoring of the demand for courses as prices change.
- Review of the fees policy annually.

3. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102. This risk is mitigated by an agreed deficit recovery plan with Devon County Council.

4. Failure to maintain the financial viability of the College

As referred to in 'Performance indicators' within the Members' Report, based on forecast accounts for the 2020/21 year, the College's current financial health grade is being auto calculated as 'Outstanding' but will be self graded by the College as Good, this is due to cost savings resulting from the lockdown and a large proportion of the income guaranteed to allocation generating a larger surplus than forecast. Notwithstanding that, the continuing challenge to the College's financial position remains the COVID-19 risks as mentioned previously.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis.
- Regular in year budget monitoring.
- Robust financial controls.
- Exploring ongoing procurement efficiencies.
- Keeping the cash flow under constant review and taking appropriate action to remain within agreed limits, including negotiating short term overdraft facilities if appropriate.

5. Increasing Cost pressures

- Unexpected increases in costs such as the National Insurance increase and related cost pressure associated with.
- Utility price pressures.
- Both are being monitored and risks mitigated where known.

Covid Impact

Once again this academic year has been extraordinary and turbulent, due to the COVID-19 pandemic. The Government closure of schools and colleges in January 2021, to all but students with Education Health Care Plans (EHCPs) and children of key workers, led to teachers, once again, rapidly adapting their teaching and assessment to online/remote delivery in order that learning could continue. The lessons from the first lockdown greatly supported the transition and implementation of delivery during this second lock down. Curriculum implementation had been revisited over the summer, in the vast majority of areas, so that all courses included up to 25% remote delivery. The use of innovative practice and digital technologies, coupled with staff commitment and resilience, ensured that the student experience and their feedback has been predominantly positive, with students embracing this new way of studying.

The students being assessed in 2021 have faced unprecedented differential disruption to their learning resulting from lockdowns, absence, self-isolation, uncertainty and anxiety, inequality of access to digital devices and broadband and a range of associated personal circumstances. Questions of assessment, inequality, public health and lost learning are interconnected and have to be viewed in the round.

Once lockdown was announced a swift appraisal of digital poverty effectively equipped the vast majority of learners with the appropriate levels of IT to engage with remote teaching, learning and assessment. Every effort was made to minimise disadvantage and support students where possible, however this was difficult, particularly at pre entry level, level 1 and level 2 where students have limited equipment and/or understanding of remote platforms. A small minority of learners simply could not engage effectively with online teaching and learning leading to teachers adapting their methods of delivery and assessment and despite the many challenges this has resulted in the very large majority of students achieving their qualifications.

The majority of the College academies were engaged with the Teacher Assessed Grades (TAGs) process for all exams that were cancelled in 2021. Staff, once again, responded quickly and positively, following awarding body guidelines, ensuring relevant evidence was available to support assessment decisions. This year the apprenticeship qualifications were primarily delayed, which has impacted heavily on achievement, further complicated by students still on furlough from their employers. A significant number of apprentices will carry forward their achievement to the next academic year. Lockdown in January occurred when adult English and mathematics functional skills students were due to take their exams, and despite the College following the changing demands of the awarding body, TAGs for over 120 students, have largely been rejected. Many students have found it difficult to reengage with English and maths after remote teaching, learning and assessment, resulting in poor attendance and classes throughout the summer months to support achievement.

The use of implementation coaches supported the teachers with the effective development of Google classroom and its many functions. Delivery became more progressive with the move to remote delivery as staff were able to introduce a more diverse approach, specific Google meet features, such as Forms, Polls, Jamboards and using bespoke pre-recorded guest speaker videos.

The lessons from the previous year meant that the curriculum was effectively re-sequenced to front load theory and assignment projects, and allow for practical work once students were allowed back on site. Welfare checks on students via Googlemeet revealed that the majority of students were positive and focussed, any safeguarding concerns were effectively follow up by the Safeguarding officers.

Staff wellbeing was also prevalent during this year, with many staff having now worked from home for over 12 months. Google meet is used extensively to bring staff together, for both work and social events. This continued once staff were back on site with a fantastic range of activities for Mental Health Awareness week enjoyed by staff and students. The introduction of a staff health and well being programme saw a variety of activities offered to staff throughout the week, with good engagement. Staff share their wellbeing experiences on the Colleges web pages.

Throughout this incredibly unsettling time for students the College offered ongoing support, additional resources, and reassured students that applications for progression would be honoured. The College's outcomes and student feedback are a testament to the professional and skilled workforce that rapidly adapted and prioritised every student.

The Education Skills Funding Agency (ESFA) and Department for Education (DfE) have confirmed that there will be no publishing of achievement for any outputs from the 2020/21 academic year, although Qualification Achievement Rates will be available for each institution via secure login.

KEY PERFORMANCE INDICATORS

The College's key performance indicators, targets and results are set out below:

Financial indicators

Indicator	Target/Budget	Actual
Adjusted current ratio	>1.25	1.68
EBITDA as a % of income - education specific	>7%	9.45%
Total borrowing as a % of income	<20%	11.52%
Staff as a % of Income	62.38%	62.81%
Bank Covenants:		
Debt servicing	100%	771%
Operational Leverage	3.5:1	1.05:1

Student numbers

In 2020/21 the College Group has delivered activity that has produced £26,901,000 in funding body main allocation funding (2019/20: £24,408,000). The College had approximately 7,067 funded and 930 non-funded (paying) students.

Student achievements

Students continue to prosper at the College. Overall achievement rates in 2020/21 were 85.1 %.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2020 to 31 July 2021 the College paid 99.4% per cent of its invoices within 30 days (2019/20: 98.8%). This represents an average for the year. Payment of creditors is monitored as part of the monthly management accounts. The College incurred no interest charges in respect of late payment for this period

Equality, Diversity and Inclusion

Equality

City College Plymouth is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis. The College's Equality and Diversity Policy, including its Transgender Policy, is published on the College's Internet site.

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

The college is a Positive About Disabled People and 'Disability Confident' employer and has committed to the principles and objectives of the Positive About Disabled People standards. The College considers all employment applications from disabled persons, bearing in mind the

aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The College has committed to the 'Mindful Employer' and 'AoC Mental Health Charter' initiative to assist the mental health wellbeing of staff.

The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an on-going basis.

Disability statement

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

- a) The College has a Special Educational Needs and Disability Policy which sets out its commitment to providing a rich, challenging and differentiated curriculum in which students' who have Special Educational Needs and Disabilities (SEND) can achieve their maximum potential. The College aims to: provide a rich, challenging and differentiated curriculum and equip students with the skills needed for their successful life beyond College
- b) The College can provide a wide range of chromebooks and specialist equipment which supports the students' learning journey through the Library.
- c) The Admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- d) Across the College the Learning Support team provides high levels of support offering meet and greet, fluid support across the day as and when students require, particularly for students with autism. They also provide support within class, 1-1 and small group study periods and via exam assessment and risk management, to ensure that learners who have Education, Health and Care Plans are provided with good opportunities to make progress. The Counselling and Wellbeing teams offer pastoral support.
- e) There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Within the Skills Development Academy, the College has specialist lecturers to support students with complex learning difficulties and/or disabilities. Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- g) Free counselling to all enrolled students up to a maximum of six in any term; additional sessions can be added in exceptional circumstances. Students are able to re-apply for more sessions at any time. We have two paid counsellors and three volunteer trainee counsellors.
- h) Welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.
- i) The College publishes its' Accessibility Statement annually on its website, outlining **information about the accessibility** and the support available to its students with disabilities or difficulties.

Trade union facility time

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

Numbers of employees who were relevant trade union officials during the relevant period	FTE employee number
14	13.08
Percentage of time spent on facility time	Number of employees
0%	-
1-50%	14
51-99%	-
100%	-
Total cost of facility time	£18,030.08
Total pay bill	£17,299,308.08
Percentage of total bill spent on facility time	0.10%

Time spent on paid trade union activities as a percentage of total paid facility time	3.17%
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GOING CONCERN

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College has £583,000 of loan outstanding with bankers on terms negotiated in 2013, and a further £3,153,000 of loan outstanding to Plymouth City Council on terms negotiated in 2016. The College's forecasts and financial projections indicate that it will be able to operate within existing facilities for the foreseeable future.

Despite the challenges as a result of COVID-19, the College group delivered an underlying operational performance ahead of budget in 2020/21, although this was in part attributable to guaranteed income streams offset by savings in premises and non-pay spend. On a day to day basis, the College proactively manages its cost base and has aligned staffing levels to delivery requirements whilst maintaining high quality teaching, learning and assessment, and student outcomes. The College carefully monitors cashflow through daily and weekly cashflow forecasts and reports against loan covenants within the monthly management accounts. Plans are monitored regularly by the Board.

Assuming no adverse change to funding levels in Further Education, the Financial Plan which underpins the Strategic Plan indicates an operational surplus will be achieved in 2021/22 and this will be maintained into 2022/23. There will be challenges due to the ongoing nature of any further COVID-19 restrictions, but the improved position for 2020/21 and the high levels of cash balances in hand at the end of July mean the College is well positioned to weather the financial impacts over the next year. The budget set was a prudent budget.

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.

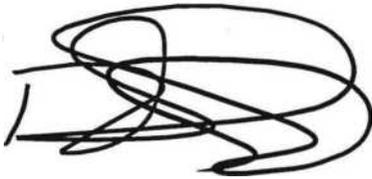
EVENTS AFTER THE REPORTING PERIOD

None

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Corporation on 13 December 2021 and signed on its behalf by:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Richard Stevens
CHAIR

Statement of Corporate Governance and Internal Control

GOVERNANCE STATEMENT

The following statement is provided to enable readers of the financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

Governance Code

The College endeavours to conduct its business:

- a) in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- b) in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code").

In the opinion of the governors, the College complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2021 and to the date of signing of the accounts. Whilst not having adopted the UK Corporate Governance Code 2018, the Corporation has due regard to its principles and guidance.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 (and amended in May 2019) which it formally adopted in June 2015 (and any subsequent amendments).

THE CORPORATION

Members of the Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in Table 1, shown on page 24-25.

The Governance Framework

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

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

In Spring 2021, a confidential external review of governance was conducted by two people with considerable experience of governance in the Further Education sector. The review involved all governors and a full written report was considered and accepted by the Corporation. Following the report's recommendations, a number of changes to governance were made to the Corporation's operations.

Up until March 2021 the Corporation largely conducted its business through a number of Committees as well as through the main Governing Body. Each committee has terms of reference, which have been approved by the Corporation. These committees are: Finance,

Performance and Standards, Remuneration, Search and Development and Audit. Following the review in Spring 2021 the Corporation determined that apart from those committees which are required to operate -Audit and Remuneration - all other committees would be stood down initially to the end of the financial year, and that the Governing Body would meet more frequently and all key business would be dealt with there, in order to develop and foster a good team spirit and for strategic decisions to be taken holistically. Non-statutory committees may be called back into operation again in the future. Minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at:

City College Plymouth
Kings Road
Devenport
Plymouth
PL 1 5QG

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

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

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Corporation meetings. Briefings are also provided on an ad hoc basis. All new governors take part in induction training, offered both internally and in the south west region. The Clerk provided a refresh to all governors concerning their duties and responsibilities as trustees at the Board Day in May 2021. This day also included a development session with the regional lead Ofsted inspector concerning Ofsted's expectations of governors. The College subscribes to the Education and Training Foundation Governor Development Programme and all governors are encouraged to take any of the training this provides. The Chair has enrolled on the Chairs Development Programme. The Clerk has undertaken a number of development activities during the year including on Board evaluation, Training the Trainers, NLG updates and attendance at the Chartered Governance Institute annual conference and the AoC Governance Professionals and Governance Conferences.

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

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

During the major COVID-19 period, all meetings were held 'virtually', using the Zoom platform. Meetings started again in person in the summer term 2021, making arrangements for social distancing. This arrangement will be kept under review.

During the COVID-19 period the College continued to tender out for services and goods in order to achieve best value for money. Any presentations were conducted online.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. Members of the Corporation are appointed for a term of office not exceeding four years but may be re-appointed for one additional term after due consideration.

Table 1: Governors serving on the Corporation during 2020/21

Name	Date of Appointment/Reappointment	Term of Office	End of Term/Resignation	Status of Appointment	Committees Served	Attendance at Board & Committees
Jackie Grubb	03/06/2019	N/A	N/A	Principal & CEO	Finance, P&S, Search	100%
Richard Stevens	22/3/21	4 years	31/3/25	Chair of the Corporation (initial term as Chair to 31/3/23)		100%
Prof Pauline Odulinski OBE	24/02/2015 13/12/2018 Chair from 01/08/18	4 year	10/3/21	General Governor 01/08/2019 - 10/3/21 Chair of Corporation	Remuneration, P&S, Search (Chair)	100%
Rebecca Archer	15/10/201	4 year	5/10/24	General Governor	Audit (from May 2021)	50%
Dr Emily Beaumont	04/02/2019	4 year	03/02/2023	General Governor NB - on maternity leave from Autumn 20 to Summer 2021	P&S	100%
Ed Coley	27/03/2019	4 year	October 2020	General Governor	Audit	50%
Dickon Court	01/05/2020	4 year	30/04/2024	General Governor	Audit	80%
Adam Croney	04/02/2019	4 year	03/02/2023	General Governor	Audit (Chair)	100%
Adrian Dawson	01/07/2020	4 year	15/10/21	General Governor	Audit (from May 2021)	85%
David Henley	01/07/2020	4 year	22/3/2021	General Governor	Finance	100%
Paul James	16/12/2019	4 year	15/12/2023	General Governor	Finance, P&S, Remuneration (Chair from August 21)	82%

Sam Samuel	15/10/20	4 year	15/10/24	General Governor		80%
Martyn Starnes	15/07/2014 08/10/2018	4 year	Jan 2021	General Governor	Finance (Chair), Remuneration	75%
Debbie Taylor	19/11/2018	4 year	11/3/2021	General Governor Vice-Chair of Corporation 01/08/2019-11/3/21	Search, P&S (Chair), Audit, Remuneration (Chair)	87%
Brian Wood	01/07/2020	4 year	30/06/2024	General Governor	None	100%
Daniella Marley	31/07/2020	1 year	31/07/2021	Student governor	None	17%
Emma Goodridge	31/07/2020	1 year	31/07/2021	Student governor	None	0%
Mike Jones	01/10/2015 30/9/20	4 year Term extended due to Covid-19	31/12/2021	Staff governor	Finance Search	100%
Cheryl Powell	13/10/2015 30/9/20	4 year Term extended due to Covid-19	31/12/2021	Staff governor	P&S	86%

Corporation performance

Governors have a good understanding of what the College needs to do to improve even further and the external review of governance has brought about a greater focus on developing the college's strategy and giving support and appropriate challenge to Managers. The Strategic Intent has been approved and sets out eight key areas of key focus for the college and how it will meet the future needs of Plymouth and the surrounding region. Targets, related to the Strategic Intent have been set for the Executive Team.

Governors focus firmly on improving outcomes for learners and ensuring that the college plays a full and prominent role in the economic development of the city. They look forward to the opportunity to visit the college and meet staff and students again in person, which has been restricted due to Covid during this year. Governors are investing well in improving resources and accommodation that benefit learners.

Remuneration Committee

The committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Accounting Officer and other senior post-holders.

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

Audit Committee

The Committee operates in accordance with written terms of reference approved by the Corporation, in accordance with the Post-16 Audit Code of Practice.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management, as required. 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 monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and the Audit Committee.

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

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

See below for a table of total audit committee meetings in the year, and the number attended by the audit committee members.

Governor	Meetings attended	Out of a possible
Debbie Taylor	1	1
Adrian Dawson	0	1
Adam Croney (Chair)	4	4
Dickon Court	3	4
Ed Coley	1	1
Rebecca Archer	1	1

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal and Chief Executive, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between City College Plymouth and the funding bodies. She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in City College Plymouth for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems, with an annual budget which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; 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 on the recommendation of the Audit Committee. At minimum annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in 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

The College has a comprehensive risk register which is reviewed and updated by the Risk Management group monthly. The risk register is reviewed at each Audit Committee, and specific high risk areas are also monitored by individual committees. 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 has been updated to incorporate COVID-19 related risks.

Control weaknesses identified

No significant internal control weaknesses were identified in year and up to the date of signing these accounts.

Responsibilities under funding agreements

The Corporation receives reports on any significant changes identified in the annual funding agreements. The College is subject to an annual subcontract audit, which is undertaken by the external auditor. A report is produced for the consideration of the audit committee. The audit committee receives the annual regularity self-assessment for review and approval.

Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. Any recommendations for the further development of governance following the external report were addressed in an action plan and the Audit Committee considered the plan. The audit committee believes the corporation has effective internal controls in place.

All audit reports outline the level of assurance and an action plan is put in place for any risk areas outlined. The overall action plan is monitored by the Audit Committee via regular progress reports from the internal auditor.

The Audit Committee met on 4 occasions during the academic year. It considered risk and the progress made with audit recommendations at each of its meetings. Audit reports were considered covering the audits carried out during the year including mental health and wellbeing (Covid response); Core financial controls and Irrecoverable VAT. An audit concerning governance was postponed as this had been explored as a result of an external review. The Autumn term 2021 meeting considered the external auditor's report on the Financial Statements 20/21. Any instances of fraud or irregularity or whistleblowing would be reported to the Committee, but none arose during the year.

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for

internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2021.

Achievement Training Limited

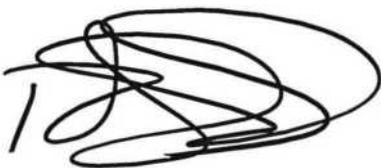
The College has a subsidiary company Achievement Training Limited (ATL). The Corporation is represented on the Subsidiary Board by the Deputy Principal. The second director is the Chief Finance Officer. The Head of Finance undertook company secretarial duties.

Day to Day management of the Company is undertaken by a Managing Director, who reports to the College Chief Financial Officer. The Directors hold regular Board meetings and provide at least annual written reports to the College Corporation on performance. The subsidiary is included in the College's internal audit plan, and reviewed cyclically based on risk. Regular reporting of performance to the Corporation is affected through monthly management accounts.

Conclusions

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

Approved by order of the members of the Corporation on 13 December 2021 and signed on its behalf by:



Richard Stevens
CHAIR



Jackie Grubb
ACCOUNTING OFFICER

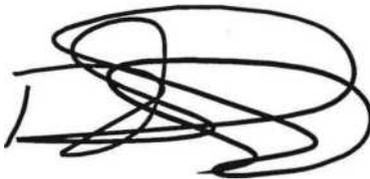
Statement of Regularity, Propriety and Compliance

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

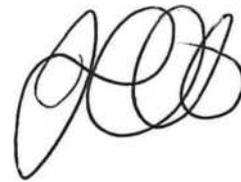
We confirm, on behalf of the Corporation, that after due enquiry, and to the best of its knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contract with ESFA, or any other public funder.

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

Approved by order of the members of the Corporation on 13 December 2021 and signed on its behalf by:



Richard Stevens
CHAIR



Jackie Grubb
ACCOUNTING OFFICER

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

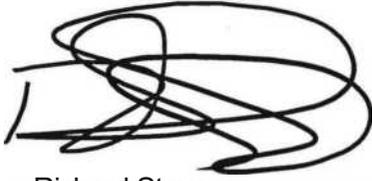
The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public funds are not put at risk.

Approved by order of the members of the Corporation on 13 December 2021 and signed on its behalf by:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Richard Stevens
CHAIR

Independent Auditor's Report to the Corporation of City College Plymouth

Opinion

We have audited the financial statements of City College Plymouth (the 'College') and its subsidiaries (the 'group') for the year ended 31 July 2021, which comprise the Consolidated and College Statement of Comprehensive Income, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and of the College's affairs as at 31 July 2021 and of the Group's surplus of income over expenditure for the year then ended;
- Have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education.
- Meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students

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 group 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 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 original financial statements were authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information, and we are required to report that fact.

We have nothing to report in this regard.

Report on other legal and regulatory requirements

We are required to report on the following matters by the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency.

We have nothing to report in respect of the following matters in our opinion:

- Proper accounting records have not been kept; and
- The financial statements are not in agreement with the accounting records and returns; and
- All information and explanations required for the audit were not received.

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students:

We have nothing to report in respect of the following matters in our opinion:

- The provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The provider's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Members of the Corporation of City College Plymouth

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 31-32, the College's Corporation is responsible for the preparation of the financial statements which give a true and fair view and for such internal control as the Members of 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 Members of the Corporation are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the College. We gained an understanding of the industry in which the Charity operates as part of this assessment to identify the key laws and regulations affecting the College. As part of this, we reviewed the College's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were the regulations of the Department for Education, the Education & Skills Funding Agency (ESFA), the Office for Students (OfS) and Ofsted, as well as health and safety regulations, employment law, the Coronavirus Job Retention Scheme (CJRS) legislation, and breaches of The General Data Protection Regulation (GDPR). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the College Accounts Direction for 2020 to 2021 and the Post-16 Audit Code of Practice issued by the ESFA.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the College's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of the College's risk register and minutes of Board and Audit Committee meetings for any potential or actual instances of non-compliance.
- Review of the College's GDPR policy and enquiries of the College's compliance officer as to the occurrence and outcome of any reportable breaches.
- Review of Ofsted reports, and inquiries of management of points raised and action plans developed.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

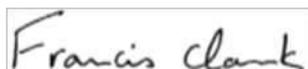
- Undertook specific testing in respect of CJRS claims made during the year.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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 audit report.

Use of our report

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



PKF Francis Clark, Statutory Auditor
North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date ...16/12/2021.....

Reporting Accountant's Assurance Report on Regularity for the Year Ended 31 July 2021 to the Corporation of City College Plymouth and Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 20 July 2021 and further to the requirements and conditions of funding in 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 in all material respects the expenditure disbursed and income received by City College Plymouth during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the Corporation of City College Plymouth 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 City College Plymouth 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 City College Plymouth and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Corporation of City College Plymouth and the reporting accountant

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

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

Approach

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

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

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 and propriety of the college's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures, including the self-assessment questionnaire prepared by City College Plymouth.
- Evaluation of the system of internal controls for authorisation and approval.
- Performing substantive tests on relevant transactions.

Conclusion

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



PKF Francis Clark
Registered Auditors
North Quay House
Sutton Harbour
Plymouth
PL4 ORA

Date:16/12/2021.....

Consolidated Statement of Comprehensive Income and Expenditure

	Notes	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
INCOME					
Funding Body Grants	2	26,901	25,628	24,408	23,143
Tuition fees and education contracts	3	5,278	4,713	5,674	5,106
Other grants and contracts	4	462	448	603	590
Other income	5	719	792	747	824
Investment income	6	1	272	14	195
Total income		33,361	31,853	31,446	29,858
EXPENDITURE					
Staff costs	7	22,756	21,284	20,561	19,088
Other operating expenses	8	8,672	8,675	7,757	7,698
Depreciation	10,11	1,978	1,874	1,738	1,643
Interest and other finance costs	9	713	713	761	761
Total expenditure		34,119	32,546	30,817	29,190
Surplus/(Deficit) before other gains and losses		(758)	(693)	629	668
Loss on disposal of fixed assets		(640)	(640)	(165)	(165)
Surplus/(Deficit) for the year		(1,398)	(1,333)	464	503
Actuarial gain/ (loss) in respect of pension schemes		3,164	3,164	(12,496)	(12,496)
Total Comprehensive Income for the year		1,766	1,831	(12,032)	(11,993)
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		1,766	1,831	(12,032)	(11,993)
		1,766	1,831	(12,032)	(11,993)

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

The Group's activities relate solely to the provision of education and training services in the United Kingdom.

Consolidated and College Statement of Changes in Reserves

	Income and Expenditure Account	Revaluation Reserve	Capital Reserve	Total
	£'000	£'000	£'000	£'000
Group				
Balance at 1 August 2019	(20,205)	5,279	44	(14,882)
Surplus from the income and expenditure account	464	-	-	464
Other comprehensive income	(12,496)	-	-	(12,496)
Transfers between revaluation and income and expenditure reserves	284	{284}	-	-
	(11,748)	(284)	-	(12,032)
Balance 31 July 2020	(31,953)	4,995	44	(26,914)
Deficit from the income and expenditure account	(1,398)			(1,398)
Other comprehensive income	3,164			3,164
Transfers between revaluation and income and expenditure reserves	284	(284)		0
Total comprehensive income for the year	2,050	(284)	0	1,766
Balance at 31 July 2021	(29,903)	4,711	44	(25,148)
College				
Balance at 1 August 2019	(19,462)	5,279	44	(14,139)
Surplus from the income and expenditure account	503	-	-	503
Other comprehensive income	(12,496)	-	-	(12,496)
Transfers between revaluation and income and expenditure reserves	284	(284)	-	-
	(11,709)	(284)	-	(11,993)
Balance 31 July 2020	(31,171)	4,995	44	(26,132)
Deficit from the income and expenditure account	(1,333)			(1,333)
Other comprehensive income	3,164			3,164
Transfers between revaluation and income and expenditure reserves	284	(284)		0
Total comprehensive income for the year	2,115	(284)	0	1,831
Balance at 31 July 2021	(29,056)	4,711	44	(24,301)

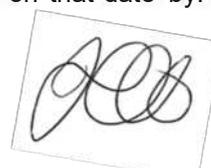
Balance Sheets as at 31 July 2021

	Notes	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Non-current Assets					
Intangible Assets	10	829	304	643	51
Tangible Assets	11	30,482	30,409	29,986	29,900
Investments	12	-	1,587	-	1,587
Total Non-current Assets		31,311	32,300	30,629	31,538
Current Assets:					
Stock		41	41	56	56
Trade and Other Receivables	13	1,145	1,221	1,327	1,280
Cash and Cash Equivalents	18	8,995	8,787	4,749	4,649
Total Current Assets		10,181	10,049	6,132	5,985
Less: Creditors - amounts falling due within one year	14	(7,416)	(7,426)	(5,165)	(5,145)
Net current Assets/(Liabilities)		2,765	2,623	967	840
Total Assets less Current Liabilities		34,076	34,923	31,596	32,378
Less: Creditors - amounts falling due after more than one year	15	(15,591)	(15,591)	(14,323)	(14,323)
Provisions:					
Defined Benefit Obligation	23	(42,913)	(42,913)	(43,574)	(43,574)
Other Provisions	17	(720)	(720)	(613)	(613)
Total Net Liabilities		{25,148}	{24,301}	{26,914}	{26,132}
Unrestricted Reserves:					
Income and expenditure Account		(29,903)	(29,056)	(31,953)	(31,171)
Revaluation Reserve		4,711	4,711	4,995	4,995
Total unrestricted reserves		(25,192)	(24,345)	(26,958)	(26,176)
Restricted Reserves:					
Capital Reserve		44	44	44	44
Total Reserves		(25,148)	(24,301)	(26,914)	(26,132)

The financial statements on pages 38 to 69 were approved and authorised for issue by the Corporation on 13 December 2021 and were signed on its behalf on that date by:



Richard Stevens
CHAIR



Jackie Grubb
ACCOUNTING OFFICER

Consolidated Statement of Cash Flows

	Notes	2021 £'000	2020 £'000
Cashflow from operating activities			
Surplus/(Deficit) for the year		(1,395)	464
Adjustment for non-cash items			
Depreciation		1,809	1,633
Amortisation		169	105
(Increase)/Decrease in stocks		15	(13)
Decrease/(Increase) in debtors		182	266
Increase/(Decrease) in creditors due within one year		(411)	116
Increase/(Decrease) in creditors due after one year		1,823	(733)
Increase/(Decrease) in provisions		107	(58)
Pension cost less contributions payable		2,503	1,664
Adjustment for investment or financing activities			
Investment income		1	(14)
Interest payable		132	157
Loss on disposal of fixed assets		640	164
Net cash flow from operating activities		5,575	3,751
Cash flows from investing activities			
Proceeds from sale of fixed assets		0	775
Investment income		1	14
Capital grants received		2,660	606
Payments made to acquire intangible assets		(357)	(27)
Payments made to acquire tangible assets		(2,947)	(800)
		(643)	568
Cash flows from financing activities			
Interest paid		(132)	(157)
Repayments of amounts borrowed		(554)	(548)
		(686)	(705)
Increase in cash and cash equivalents in the year		4,246	3,614
Cash and cash equivalents at the beginning of the year	18	4,749	1,135
Cash and cash equivalents at the end of the year	18	8,995	4,749

Notes to the Accounts

1. Accounting policies

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 2015 (the 2015 FE HE SORP), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102- "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Achievement Training Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Uniform accounting policies are adopted across the Group. Under the purchase method of accounting, the results of subsidiary and associate undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation.

In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2021.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College has £583,000 of loan outstanding with bankers on terms negotiated in 2013, and a further £3,153,000 of loan outstanding to Plymouth City Council on terms negotiated in 2016.

The College's forecasts and financial projections indicate that it will be able to operate within existing facilities for the foreseeable future.

Despite the challenges as a result of COVID-19, the College group delivered an underlying operational performance ahead of budget in 2020/21, although this was in part attributable to guaranteed income streams offset by savings in premises and non-pay spend. On a day to day basis, the College proactively manages its cost base and has aligned staffing levels to delivery requirements whilst maintaining high quality teaching, learning and assessment, and student outcomes. The College carefully monitors cashflow through daily and weekly cashflow forecasts and reports against loan covenants within the monthly management accounts. Plans are monitored regularly by the Board.

Assuming no adverse change to funding levels in Further Education, the Financial Plan which underpins the Strategic Plan indicates an operational surplus will be achieved in 2021/22 and this will be maintained into 2022/23. There will be challenges due to the ongoing nature of any further COVID-19 restrictions, but the improved position for 2020/21 and the high levels of cash balances in hand at the end of July mean the College is well positioned to weather the financial impacts over the next year. The budget set was a prudent budget.

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

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. Exceptionally for 2020/21, providing AEB income earned is at least 90% of allocation, no clawback is to be implemented. The College achieved 84.4% of allocation and accordingly the full allocation has been adjusted to reflect this within the Statement of Comprehensive Income. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

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

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

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. 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.

Fee income

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

Investment income

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

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and 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.

Devon Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the 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.

Enhanced Pensions

The actual cost of any enhanced on-going pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the on-going pension of a former member of staff is charged in full to the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Non-current assets - Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Land and buildings

Freehold buildings are depreciated over their expected useful economic life to the College of 35-40 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 40 years.

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

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- General equipment - 15% per annum (6.67 years)
- Furniture, Fixtures and Fittings - 15% per annum (6.67 years)
- Computer equipment/technical equipment - 25% per annum (4 years)
- Vehicles - 25% per annum (4 years)

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.

Goodwill

When the cost of an acquisition exceeds the fair value of the net assets acquired, the difference is treated as purchased goodwill, and is capitalised and amortised through the Statement of Comprehensive Income and Expenditure over its useful economic life. The estimated economic life of goodwill is 20 years, as retained on transition, being the period over which the College Group expects to benefit from the subsidiaries' reputation, contacts and skills. Goodwill is amortised using the straight-line method. Impairment reviews are carried out to ensure that goodwill is not carried above the recoverable amount. Any impairment write down will be charged to the Income and Expenditure account.

Intangible assets

Intangible assets such as software, are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives of 4 years, using the straight-line method. If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Borrowing costs

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

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 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

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

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Investments*Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Other investments

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

Inventories

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

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.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Financial liabilities and equity

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

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1.2% of the VAT charged on its 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.

The College's subsidiary company, Achievement Training Limited (ATL), is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

Provisions are recognised when

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

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 group's tangible assets, including goodwill. 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 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding Body Grants

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
<u>Recurrent grants</u>				
Education and Skills Funding Agency - Adult Education budget	9,127	7,930	8,910	7,689
Education and Skills Funding Agency -16-18	14,400	14,324	12,406	12,362
Office for Students	481	481	561	561
<u>Specific grants:</u>				
Education and Skills Funding Agency - Provider Relief Scheme	0	0	0	
Capacity Development Fund	225	225	197	197
Teacher Pension Scheme Contribution Grant	597	597	518	518
Maths Centre of Excellence	190	190	148	148
Releases of Government Capital Grants	756	756	680	680
COVID Testing Budget	39	39	0	0
Local Authority Element 3 Funding	1,086	1,086	988	988
Total	26,901	25,628	24,408	23,143

2a Office for Students (OfS)

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Grant Income from OfS (direct)	481	481	561	561
Grant income from OfS (via University of Plymouth)	0	0	11	11
Fee income for taught awards (exclusive of VAT)	2,957	2,957	3,023	3,023
Total	3,439	3,439	3,595	3,595

The OfS regulates higher education in colleges. The information in the table above relates to courses at Level 4 and above. The College undertakes HE delivery in partnership with the University of Plymouth and Marjon University. In order to meet the requirements of the OfS Accounts Direction a separate note showing the analysis of HE income is required in the accounts.

3 Tuition fees and education contracts

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult education fees	230	191	284	230
Apprenticeship contracts	184	184	200	200
Fees for FE loan supported courses	1,488	1,119	1302	924
Fees for HE loan supported courses	2,957	2,957	3,023	3,023
International student fees	228	228	686	686
Total tuition fees	5,087	4,679	5,495	5,063
Education contracts	191	34	179	43
Total	5,278	4,713	5,674	5,106

4 Other grants and contracts

Other Grants and Contracts	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Erasmus	0	0	42	42
European Commission	29	29	253	253
Other UK grants and contracts	323	309	208	203
Non-Government Capital Grants	18	18	18	18
Coronavirus Job Retention Scheme Grant	92	92	82	74
Total	462	448	603	590

The corporation furloughed a maximum of 49 staff (minimum 15 staff) employed in commercial income areas, for example the nursery and student training areas of PL 1 and Stars Hair and Beauty, under the government's Coronavirus Job Retention Scheme. The number of staff furloughed varied throughout the year as certain areas within the College started to re-open and phase staff back in.

5 Other income

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Nursery Fees	171	171	207	207
Training Income	33	33	100	100
Lettings/Hire	14	14	48	48
Exam Fees	9	9	10	10
Bus Passes	180	180	194	194
Consultancy and Other Services Income	48	133	43	124
Other	264	253	145	141
Total	719	792	747	824

6 Investment income

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Other interest receivable	1	1	14	13
Investment Income- Gift Aid	0	271		182
Total	1	272	14	195

7 Staff costs

The average number of persons (including key management personnel) employed by the Group during the year was:

	2021 Group Number	2021 College Number	2020 Group Number	2020 College Number
Teaching staff	487	437	508	457
Non-teaching staff	206	178	205	173
Total	693	615	713	630

Staff costs for the above persons

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Wages and salaries	15,112	13,767	14,556	13,203
Social security costs	1,328	1,236	1,280	1,193
Other pension costs	4,763	4,729	3,803	3,770
Payroll sub total	21,203	19,732	19,639	18,166
Contracted out staffing services	1,281	1,281	922	922
	22,484	21,013	20,561	19,088
Staff Restructuring - Contractual	272	272		
Total staff costs	22,756	21,284	20,561	19,088

A 1.5% - 2.5% pay award was made to college staff, dependent on pay scale during the financial year 1 August 2020 to 31 July 2021.

In addition the NMW and apprenticeship rate were increased in line with government guidance from 1 April 2021.

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 Executive Leadership Team, which comprises the Chief Executive/Principal, Executive of Curriculum, Quality & Student Experience, the Executive of Finance, Chief Digital Transformation Officer and Click consultant (left the College 30 July 2021).

Staff costs include compensation paid to key management personnel for loss of office.

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

	2021	2020
	Number	Number
The number of key management personnel including the Accounting Officer was:	<u>5</u>	<u>6</u>

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

	Key management personnel		Other staff	
	2021 Number	2020 Number	2021 Number	2020 Number
£50,001 to £55,000	-	-	4	6
£55,001 to £60,000	-	1	3	-
£60,001 to £65,000	-	1	1	-
£65,001 to £70,000	1	-	-	-
£70,001 to £75,000	-	-	-	-
£75,001 to £80,000	-	-	-	-
£80,001 to £85,000	-	-	-	-
£85,001 to £90,000	1	1	-	-
£90,001 to £95,000	1	1	-	-
£95,001 to £100,000	-	-	-	-
£100,001 to £105,000	-	1	-	-
£105,001 to £110,000	-	-	-	-
£110,001 to £115,000	-	-	-	-
£115,001 to £120,000	-	-	-	-
£120,001 to £125,000	-	-	-	-
£125,001 to £130,000	1	-	-	-
£130,001 to £135,000	-	-	-	-
£135,001 to £140,000	-	1	-	-
£140,001 to £145,000	1	-	-	-
£145,001 to £150,000	-	-	-	-
£150,001 to £155,000	-	-	-	-
£155,001 to £160,000	-	-	-	-
	<u>5</u>	<u>6</u>	<u>8</u>	<u>6</u>

Key management personnel includes a Chief Digital Transformation Officer (effective 25 June 2020) and Click consultant (with effect 20 July 2020 to 30 July 2021). Both of these positions were appointed for an interim period to support the Executive Leadership Team to develop detailed strategic operational plans, following the approval of the new corporate strategy and vision. The Click consultant has been appointed through an agency arrangement.

There were two members of staff who exceeded the disclosure requirements of annual emoluments, excluding employer pension contributions, in excess of £60,000. The College however chooses to make a voluntary disclosure of other key staff below this limit. Other key staff are defined as College Directors, mainly Heads of Faculties.

Key management personnel compensation is made up as follows:

	2021	2020
	£'000	£'000
Salaries	380	342
Benefits in kind	2	2
Pension contributions	85	75
Agency Costs	126	6
	593	425

The agency costs noted in the table above and in the banding on page 54 are exclusive of recoverable VAT and travel expenses to be more comparable to employed personnel.

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

Chief Executive/Principal (from 03 June 2019)

	2021	2020
	£'000	£'000
Salaries	140	140
Benefits in kind	1	1
Pension contributions	33	33
	174	174

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles.

The remuneration package of the Principal and Chief Executive is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance, including an assessment of value and performance delivered.

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

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

	2021	2020
Principal and CEO's basic salary as a multiple of the median of all staff	5.15	5.25
Principal and CEO's total remuneration as a multiple of the median of all staff	5.22	5.27

Compensation for loss of office paid to former key management personnel

	2021	2020
	£	£
Compensation paid to Key Post Holder (severance)	-	11,225
Estimated value of other benefits, including provisions for pension benefits	-	5,417

The severance payments were approved by the College's Remuneration Committee.

The members of the Corporation other than the 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.

Overseas activities

The following costs were incurred during 2020/21 in respect of overseas activities which were carried out in accordance with the strategy approved by the Governing Body.

	Total Cost	Contribution received	Net cost to College
	£'000	£'000	£'000
Members	-	-	-
Senior Postholders	-	-	-
Other Staff	-	-	-
Total	-	-	-

	Total Cost	Contribution received	Net cost to College
	£'000	£'000	£'000
Members	-	-	-
Senior Postholders	-	-	-
Other Staff	33	-	33

Total	33	-	33
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8 Other operating expenses

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	2,139	2,029	2,341	2,253
Non-teaching costs	4,037	3,738	3,373	3,060
Premises costs	2,209	1,914	1,775	1,489
Franchised provision	286	993	268	896
Total	8,672	8,675	7,757	7,698

Other operating expenses include:

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Auditors' remuneration:				
Financial statements audit	29	19	31	24
Other services provided by financial statements auditors	4		4	4
Internal audit (College and Group)	13	9	4	4
Hire of plant and machinery - operating leases	549	307	527	368
Hire of other assets - operating leases	85	85	92	92

8a Access and participation spending - Group and College

	2021	2020
	£'000	£'000
Access Investment	19	22
Financial support to students (Bursaries)	61	50
Support for disabled students	37	43
Research and Evaluation	9	9
	126	124

9 Interest and other finance costs - Group and College

	2021	2020
	£'000	£'000
On bank loans, overdrafts and other loans:	132	154
Net interest on defined pension liability (note 23)	581	607
Total	713	761

10 Intangible assets (Group)

	Goodwill £'000	Software £'000	Total £'000
Cost or valuation			
At 1 August 2020	1,371	444	1,815
Additions	-	357	357
Elimination in respect of disposals	-	-	-
At 31 July 2021	<u>1,371</u>	<u>801</u>	<u>2,172</u>
Accumulated Amortisation			
At 1 August 2020	772	402	1,174
Charge for year	69	100	169
Elimination in respect of disposals	-	-	-
At 31 July 2021	<u>841</u>	<u>502</u>	<u>1,343</u>
Net book value at 31 July 2021	<u>530</u>	<u>299</u>	<u>829</u>
Net book value at 31 July 2020	<u>599</u>	<u>42</u>	<u>641</u>

10 Intangible assets (College)

	Goodwill £'000	Software £'000	Total £'000
Cost or valuation			
At 1 August 2020	54	444	498
Additions	-	357	357
Elimination in respect of disposals	-	-	-
At 31 July 2021	<u>54</u>	<u>801</u>	<u>855</u>
Accumulated Amortisation			
At 1 August 2020	46	402	448
Charge for year	3	100	103
Elimination in respect of disposals	-	-	-
At 31 July 2021	<u>49</u>	<u>502</u>	<u>551</u>
Net book value at 31 July 2021	<u>5</u>	<u>299</u>	<u>304</u>
Net book value at 31 July 2020	<u>8</u>	<u>42</u>	<u>50</u>

11 Tangible assets (Group)

	Land and Buildings				
	Freehold	Long Leasehold	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2020	41,102	209	7,508	50	48,869
Additions	-	782	1,534	-	2,316
Construction in Progress	-	-	-	631	631
Transfer (assets under construction)	-	50	0	(50)	0
Disposals	(1,275)	-	(51)	-	(1,326)
At 31 July 2021	39,827	1,041	8,991	631	50,490
Accumulated Depreciation					
At 1 August 2020	12,610	109	6,165	-	18,884
Charge for year	998	47	764	-	1,809
Eliminated in respect of disposals	(648)	-	(37)	-	(685)
At 31 July 2021	12,960	156	6,892	-	20,008
Net book value at 31 July 2021	26,867	885	2,099	631	30,482
Net book value at 31 July 2020	28,492	100	1,343	50	29,984

Tangible assets (College only)

	Land and Buildings				
	Freehold	Long Leasehold	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2020	41,102	209	7,221	50	48,582
Additions	0	782	1,508	631	2,921
Construction in Progress	0	-	-	-	0
Transfer (assets under construction)	-	50	-	(50)	0
Disposals	(1,275)	-	(51)	-	(1,326)
At 31 July 2021	39,827	1,041	8,678	631	50,177
Accumulated Depreciation					
At 1 August 2020	12,616	109	5,957	-	18,682
Charge for year	998	47	726	-	1,771
Eliminated in respect of disposals	(648)	-	(37)	-	(685)
At 31 July 2021	12,966	156	6,647	-	19,768
Net book value at 31 July 2021	26,861	885	2,032	631	30,409

Net book value at 31 July 2020	28,486	100	1,264	50	29,900
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Land and buildings were valued at depreciated replacement cost on 31 July 1998 by N.J. Holman F.R.I.C.S. of Vickery Holman Limited.

If inherited land and buildings had not been revalued before being deemed as cost on transition they would have been included at nil value.

Land and buildings with a net book value of £4,771,000 (2019/20: £4,995,000) have been funded from Local Education Authority sources. Should these assets be sold, the College would either have to surrender the sale proceeds to the ESFA or use them in accordance with the financial memorandum with the ESFA.

The College acquired the Head lease of PTCI House at a market value of £209,000. The lease term is for a period of 99 years from 29 September 1961.

12 Non-current Investments

	College 2021 £'000	College 2020 £'000
Investments in subsidiary company	<u>1,587</u>	<u>1,587</u>

The College owns 100 per cent of the issued ordinary £1 shares of Achievement Training Limited, a company incorporated in England and Wales. The principal business activity of Achievement Training Limited is carrying out education and training in the Plymouth travel to work area.

The Corporation believes that the carrying value of the investments is supported by their underlying net assets.

13 Trade and other receivables

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Amounts falling due within one year:				
Trade receivables	82	73	104	98
Amounts owed by group undertakings:				
Subsidiary undertakings	-	291	-	202
Other debtors	4			
Prepayments and accrued income	441	335	675	545
Amounts owed by EFSA	618	522	548	435
Total	<u>1,145</u>	<u>1,221</u>	<u>1,327</u>	<u>1,280</u>

14 Creditors - amounts falling due within one year

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank Loans and Overdraft	578	578	561	561
Payments received in advance	1,344	1,344	1,013	1,013
Trade payables	537	433	435	349
Amounts owed to group undertakings:				
Subsidiary Undertakings	-	333	-	329
Other taxation and social security	787	755	649	599
Accruals	1,840	1,715	1,025	890
Holiday pay accrual	704	664	698	650
Other creditors	22	-	17	-
Deferred income - government grants	774	774	515	515
Deferred income - revenue grants	20	20	32	32
Amounts owed to ESFA	810	810	220	207
	7,416	7,426	5,165	5,145

15 Creditors - amounts falling due after more than one year

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	3,181	3,181	3,736	3,736
Deferred Income - Government capital grants	12,410	12,410	10,587	10,587
Total	15,591	15,591	14,323	14,323

16 Maturity of debt

Bank loans and overdrafts are repayable as follows:

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
In one year or less	578	578	561	561
Between one and two years	481	481	556	556
Between two and five years	742	742	967	967
In more than five years	1,957	1,957	2,213	2,213
Total	3,758	3,758	4,297	4,297

The Group and the College have a Term Loan of £583,000 outstanding with bankers. The loan is secured on the freehold land and buildings of the College's Kings Road site. Interest on the term loan is charged at 2% over LIBOR.

The Group and the College have a further Term Loan of £3,153,000 outstanding with Plymouth City Council. The loan is secured on the freehold land and buildings of the College's Kings Road site. Interest on the term loan is charged at a fixed rate of 3.5%.

The table showing the maturity of debt also includes accrued interest on the two loans named above and an overdraft.

17 Provisions and liabilities (Group and College)

	Defined benefit Obligation s	Restructu ring	Enhanced Pensions	Total
	£'000	£'000	£'000	£'000
At 1 August 2020	43,574	65	548	44,187
Expenditure in the year	(1,062)	272	(43)	(911)
Additions/(reductions) in period	401	(143)	21	357
At 31 July 2021	42,913	194	526	43,633

Defined benefit obligations

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 23.

Restructuring

The College undertook a major restructuring exercise of its business support staff during 2018/19. A number of staff took early retirement and the College is obliged to make a pension strain payment to the Local Government scheme. In some cases, the College has exercised its right to make the payments over a three year period. The future year payments are reflected in the redundancy provision. The expenditure in 2020/21 is the release of the payments made in year (year 3).

Enhanced pensions

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for re-organisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2021	2020
	%	%
Interest Rate	1.6	1.3
Inflation Rate (CPI)	2.6	2.2

18 Cash and cash equivalents (Group)

	At 1 August 2020 £'000	Cash Flows £'000	At 31 July 2021 £'000
Cash and cash equivalents	4,749	4,246	8,995
Overdrafts	-	-	-
Total	4,749	4,246	8,995

19 Capital and other commitments (Group and College)

	2021 £'000	2020 £'000
Commitments contracted for at 31 July	230	38

20 Contingent liability

The College is not aware of any significant contingent liabilities.

21 Events after the reporting period

There were no events after the reporting period.

22 Lease obligations

At 31 July the Group had minimum lease payments under non-cancellable operating leases as follows:

Future minimum lease payments due	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Land and buildings				
Not later than one year	175	100	127	48
Later than one year and not later than five years	242	242	2	2
Later than five years	922	922	15	15
	1,339	1,264	144	65
Other				
Not later than one year	151	151	244	244

Later than one year and not later than five years	92	92	175	175
Later than five years	-	-	-	-
	243	243	419	419
Total lease payments due	1,582	1,507	563	484

23 Defined benefit obligations

The College's employees belong to two principal post-employment schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. Both are multi- employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2019.

Total pension cost for the year	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Teachers Pension Scheme: Contributions paid		1,752		1,665
Local Government Pension Scheme:				
Contributions paid (inc. strain)	1,062		1,017	
FRS 102 (28) charge	1,894	----	1,029	-----
Charge to the Statement of Comprehensive Income (note 17)		2,956		2,046
Achievement Training Limited Defined Contribution scheme: Contributions paid		34		33
Strain accrual		-		-
Enhanced pension (credit)/charge to Statement of Comprehensive Income (note 17)		21		59
Total_pension cost for year within staff costs		4,763		3,803

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

Teachers' Pension Scheme

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

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

The pension costs paid to TPS in the year amounted to £1,752,000 (2020: £1,665,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Devon County Council. The total contribution made for the year ended 31 July 2021 was £1,387,000, of which employer's contributions totaled £1,062,000 (including strain payments) and employees' contributions totaled £325,000. The agreed contribution rates for future years are 16.4% plus an annual fee for employers, £130,000 in 2021/22 (£125,000 2020/21) and range from 5.5% to 12.5% for employees depending on salary according to a national scale.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

	At 31 July 2021	At 31 July 2020
	%	%
Rate of increase in salaries	3.85	3.25
Rate of increase for pensions in payment	2.85	2.25
Discount rate for scheme liabilities	1.6	1.35
Commutation of pensions to lump sums	50	50
50/50 option	10	10

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

	At 31 July 2021 Number	At 31 July 2020 Number
Retiring today		
Males	22.7	22.9
Females	24	24.1
Retiring in 20 years		
Males	24	24.3
Females	25.4	25.5
	At 31 July 2021 £'000	At 31 July 2020 £'000
Sensitivity analysis		
Projected service cost:		
Discount rate +0.1 %	3,177	2,700
Discount rate -0.1 %	3,411	2,883
Mortality assumption - 1 year increase	3,429	2,889
Mortality assumption - 1 year decrease	3,160	2,694
Long term salary increases +0.1 %	3,294	2,790
Long term salary increases -0.1 %	3,290	2,790
Pension increases and deferred revaluation +0.1 %	3,410	2,882
Pension increases and deferred revaluation -0.1 %	3,178	2,700

The College's share of the assets in the plan at the balance sheet date (which is estimated to be 1%) and the expected rates of return were:

	Fair Value at 31 July 2021 £'000	Fair Value at 31 July 2020 £'000
Gilts	6,099	1,439
UK Equities	4,705	4,876
Overseas Equities	24,189	17,854
Property	3,626	3,141
Infrastructure	1,707	1,626
Target Return Portfolio	4,393	4,913
Cash	439	438
Other Bonds	882	1832
Alternative Assets	3	2,473
Private Equity	n/a	n/a
Total market value of assets	46,043	38,592
Weighted average expected long term rate of return	19	-3%
Actual return on plan assets	7,330	-1,323

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

	2021 £'000	2020 £'000
Fair value of plan assets	46,043	38,592
Present value of plan liabilities	(88,956)	(82,166)
Net defined benefit liability (Note 20)	(42,913)	(43,574)

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

	2021 £'000	2020 £'000
Amount included in staff costs		
Service cost	2,956	2,046
Amount included in operating expenses		
Administrative expenses	28	28

Amount included in interest payable

Net interest on defined liabilities	581	607
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Amount recognised in Other Comprehensive Income

Return on pension plan assets	6,808	(2,161)
Experience losses arising on defined benefit obligations	43	
Changes in assumptions underlying the present value of plan liabilities	1,643	(696)
Change in financial and demographic assumptions Per actuarial report	(5,287)	(9,682)
Amount recognised in Other Comprehensive Income	3,164	(12,496)

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

	2021	2020
	£'000	£'000
Defined benefit obligations at the start of the period	(43,574)	(29,414)
Movement in year:		
Service cost	(2,956)	(2,046)
Administrative expenses	(28)	(28)
Employer contributions	1,062	1,017
Net interest on the defined (liability)	(581)	(607)
Actuarial (loss) / gain	3,164	(12,496)
Defined benefit obligations at the end of the period	(42,913)	(43,574)

Changes in the present value of defined benefit obligations

	2021	2020
	£'000	£'000
Defined benefit obligations at start of period	82,166	69,070
Current service cost	2,956	2,046
Interest cost	1,103	1,442
Contributions by scheme participants	325	308
Change in financial and demographic assumptions	5,287	9,682
Experience losses arising on defined benefit obligations	(1,643)	696
Estimated benefits paid net of transfers in Past services costs, including curtailments	(1,238)	(1,078)
Defined benefit obligations at end of period	88,956	82,166

Changes in fair value of plan assets

	2021	2020
	£'000	£'000
Fair value of plan assets at start of period	38,592	39,656
Interest on assets	522	835
Return on assets less interest	6,808	(2,161)
Administration expenses	(28)	(28)
Contributions by employer	1,062	1,017
Contributions by scheme participants	325	308
Estimated benefits paid net of transfers in	(1,238)	(1,078)
Other actuarial (losses)/ gains	0	43
Fair value of plan assets at end of period	46,043	38,592

The estimated value of employer contributions for the year ended 31 July 2021 is £1,062,000.

24 Related party transactions

Due to the nature of the College's operations and the composition of the Corporation 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 Corporation may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

No expenses were paid to or on behalf of the Governors (including specialist non-Governors serving on the Audit Committee) during the year 2020/21 (2020: none). Governor expenses represent travel and subsistence expenses and other out of pocket expenses incurred in attending Governor Meetings (including regional meetings by the chair) and charity events in their official capacity.

No Governor has received any remuneration or waived payment from College subsidiaries during the year (2020: none).

Transactions with the funding bodies and HEFCE are detailed in notes 2, 3 and 16.

Transactions with wholly owned subsidiary companies are exempt under FRS 102, Related Party disclosures.

Devon and Plymouth Chamber of Commerce - Dr Emily Beaumont is a Director and Paul James is a Director and Treasurer of Devon and Plymouth Chamber of Commerce and Richard Stevens is Chair of Plymouth Chamber of Commerce

Expenditure totaling £6,570 (2020: £5,050) relating to patronage, partnership event and an awards dinner was incurred in year. There was £0 outstanding at year end (2020: £250).

Income totaling £0 (2020: £932), relating to provision of hospitality for the Devon Business show was received in year.

Marjan Business School - Dr Emily Beaumont is an associate professor and Director of Marjan Business school.

Expenditure of £0 was incurred in year (2020: £197).

University of Plymouth - Adrian Dawson is a Director of Reach and Development at the University of Plymouth

Expenditure totaling £297,842 was incurred in year (2019: £274,025) relating to HE course delivery and registration fees under the academic partnership arrangement. At the year end there was £1,065 (2020: £600) outstanding. Income of £38,575 (2020: £32,813) was received in respect of course delivery and premises compliance testing. The figure excludes grant payments. At year end there was £15,466 (2020: nil) due from the college.

Plymouth City Council- Ed Coley is employed by Plymouth City Council and Debbie Taylor's son is a cabinet member for Education, Skills and Transformation at Plymouth City Council
Transactions routinely occur between the College and the local council. As such, we review, consider and report on non-routine transactions only. There have been no non-routine transactions in the year requiring disclosure.

South West Institute of technology - Fiona Horrell, Head of Strategic Partnerships is also a Director of the South West Institute of Technology.

The South West Institute of Technology consists of members from each partner within the South West IoT consortium to deliver against the DoE capital IoT grant. The college is required to pay an annual contribution to the consortium to cover management costs. In 2020/21, the College made a payment of £0 to the consortium (2019/20: £19,303)

Citybus Ltd - Richard Stevens, Chair of Corporation is also Managing Director Plymouth Citybus Ltd, Heart of South West Local Enterprise Partnership, Destination Plymouth, Chair Devon and Plymouth Chamber of Commerce, Chair of Governors All Saints School, Street Factory, Fellow Royal Chartered Institute of Logistics and Transport.

Expenditure totalling £171,044 was incurred in year. At the year end there was (£602) outstanding.

25 Amounts disbursed as agent

	2021 £'000	2020 £'000
16-18 bursary grants	628	481
Other funding body grants- Adult loans bursary	407	323
Interest earned	-	-
	1,035	804
Disbursed to students	(780)	(549)
Administration costs	(40)	(23)
Disbursed Indirectly to students	(41)	(11)
	(861)	(583)
Balance unspent as at 31 July 2020 and not clawed back	150	
	324	221
Balance unspent as at 31 July 2021 included in creditors	324	221

Of the unspent balance, £105,000 relates to the adult loan bursary which was underspent in year, this will remain repayable to the funding body. The balance is in respect of 16-18 free school meals funds which can be carried forward and spent in the next financial year.

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

The College participated in a meal voucher scheme to ensure students were able to access food during the COVID-19 period. Vouchers were made available to qualifying students on a weekly basis.

