

John  
Leggott  
College  
REPORT OF  
GOVERNING  
BODY AND  
FINANCIAL  
STATEMENTS  
for the year  
ended 31 July  
2022

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# **John Leggott College**

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## **KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS**

### **Key management personnel**

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

**Leon Riley** Principal and CEO, Accounting Officer  
**Claire Holmes** Deputy Principal  
**Howard Darwin** Assistant Principal  
**Kelly Rinaldi** Assistant Principal (Resigned 16<sup>th</sup> August 2022)  
**David Elston** Assistant Principal (August 17<sup>th</sup> 2021 to December 17<sup>th</sup> 2021)  
**Julie Hirst** Director of Finance and Resources  
**Becky Robinson** Director of Governance

### **Board of Governors**

A full list of Governors is given on page 17 of these financial statements.  
Becky Robinson acted as Clerk to the Corporation throughout the period.

### **Professional advisers**

#### **Financial statements auditors and reporting accountants:**

Mazars LLP  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

#### **Bankers**

Barclays Bank plc  
81 High Street  
Scunthorpe  
DN15 6LZ

Lloyds Bank plc  
106 High Street  
Scunthorpe  
DN15 6HG

#### **Solicitors**

Wilkin Chapman LLP  
Cartergate House  
26 Chantry Lane  
Grimsby  
DN31 2LJ

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

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# **John Leggott College**

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## **REPORT OF THE GOVERNING BODY**

### **Nature, Objectives and Strategies**

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

### **Legal Status**

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

### **Background to the College**

John Leggott College is an open access sixth form College established in 1968 with a primary focus on the education of full time 16-19 year olds. It is situated on an attractive green field site in a residential part of Scunthorpe. It has an excellent reputation throughout North Lincolnshire and beyond for providing high quality education in a supportive environment. The College successfully serves the needs of secondary schools and one secondary special school in North Lincolnshire as well as students from outside the local area. It has a day-time cohort of over 1,750 students, some of whom travel up to 30 miles a day to study (from Goole, Snaith, Howden, Thorne, Grimsby and Gainsborough). The College offers a wide range of subjects including General Certificate of Education Advanced Level (GCE A-level), BTEC level 3, GCSE, BTEC level 2, Art Foundation and a small number of Foundation and Entry Level students.

The College directly recruits international students many of whom travel over 6000 miles to access programmes of study.

### **The College Vision and Mission**

The College vision is to be an outstanding provider of education that prepares its learners for progression and achievement. It's mission is to create an inclusive community, where the learner is at the centre of what we do, with a sense of belonging that challenges and inspires through consistently high quality teaching, support and care.

### **Public Benefit**

John Leggott College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity are disclosed on page 17.

We, at John Leggott College, see huge opportunities to develop in the next period of our history and to make our vision a reality. Through our vision statement we make clear not only our ambitions for success and progression. We are a College with a strong desire to innovate and develop new approaches to teaching and learning. We value the progressive work of our professional workforce and we want our learners to push to the highest standards.

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## REPORT OF THE GOVERNING BODY (CONTINUED)

### Public Benefit (continued)

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

- High quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers industry and commerce
- Links with Local Enterprise Partnerships (LEPs)

### Strategic Plan

#### Implementation of the Strategic Development Plan

In 2021 the College prepared a Strategic Development Plan for the period 2021-2024. The Development Plan includes strategic aims and objectives and the delivery targets for 2021-2024. The Corporation monitors the performance of the College against these plans. The plans will be reviewed each year.

The plan put the learner at the heart of everything the College does, to develop a culture which promotes positivity and value, to develop talent and to reward and recognise both learners and staff.

In terms of finance this requires the College to invest both in infrastructure and people, to work collaboratively with other Colleges and to strive to be at the forefront of development in terms of teaching practice and College offer.

The global Covid pandemic had a major impact on College Strategy, whilst the impact of this has not disappeared there are now new challenges such as the ongoing situation in Ukraine, and the economic legacy of Covid have to some extent compounded the financial impact, leading to a Cost-of-Living Crisis which has impacted on staff recruitment, and will impact more severely once the current fixed energy contracts come to an end in October 2022. In addition there is currently great uncertainty pending the conclusion of the Office for National Statistics Review which will determine if the sector is taken into the Public Sector classification.

### Financial Objectives

The College has over a number of years, seen significant change. The priority of the 2021-2024 strategic plan was to use resources to deliver the Strategic Development Plan having achieved a stable financial base. Key targets have been set for in order to sustain strong and stable financial health whilst making investment in College infrastructure.

	2022/23	2021/22
ESFA* Funded Learners		
(*Education & Skills Funding Agency)	1,672	1,815
International Income	£478,000	£500,000
Other Income	£549,000	£575,000

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## REPORT OF THE GOVERNING BODY (CONTINUED)

### Financial Objectives (continued)

All expenditure is mapped to ensure that the College achieves and sustains at least Good Financial Status by the end of the strategic plan and the College does not breach any of its banking covenants. The College predicts a positive outturn over the remainder of the plan. It will also strengthen its balance sheet.

### Performance Indicators

The College uses the following KPIs to measure performance against financial plan:

KPI	Financial Plan	Actual
Staff costs as a percentage of income (excluding restructure costs)	66.46%	62.00%
Adjusted Current Ratio	1.57	1.69
Borrowing as a percentage of income	21.14%	20.30%
Performance Ratio	7.57%	11.50%
Reliance on ESFA income	84.96%	84.00%
Financial Health Score	210-Good	250-Outstanding

The College is committed to observing the importance of sector measures and indicators such as sixth form sector achievement rates.

The College is required to complete the annual Education and Skills Funding Agency ('ESFA') financial planning template which produces a financial health grading. The College currently had an assessed ESFA financial health grading of Outstanding in the financial year 2020-2021, this is expected to retain Outstanding in 2021-22. In the years after 2021-22 the College anticipates being able to retain a health score of at least Good the next 3 years.

### Financial Results

The Group generated a surplus before other gains and losses in the year of £299,000 ((after £370,000 of FRS 102 (28) related costs) (2020-21: surplus of £585,000 after £299,000 of FRS 102 (28) related costs)), with total comprehensive income of £4,455,000 (2021-22: (£614,000)).

In 2021-22, the College was allocated an ESFA 16-18 allocation of £7,657,437 (2020-21: £7,063,710) equivalent to 1,648 FTE daytime students. Actual student numbers were equivalent to cohort of 1672 FTE.

The Group has accumulated reserves of £9,221,000 (2020-21: £4,766,000).

Tangible fixed asset additions during the year amounted to £1,745,000.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2021-22 the funding bodies provided 84% (2020-21 87%) of the College's total income.

## **John Leggott College**

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### **REPORT OF THE GOVERNING BODY (CONTINUED)**

#### **Financial Results (Continued)**

The financial impact of Covid in terms of income has to some extent continued into the 2021-22 financial year, tuition fee income for our international provision has reduced which reflects the multiple lockdowns which have happened in some of our major markets.

The College has continued to focus on covid recovery programmes for our learners and has allocated our Tuition Fund wisely and with good results.

Following on from 2 Covid years the college has continued to invest heavily in digital transformation.

#### **Group companies**

The College has one subsidiary company, JLSFC Services Limited, which is 100% owned. The principal activity of JLSFC Services Limited is the provision of support staff services to John Leggott College. Any surplus generated by the subsidiary is transferred to the College under deed of covenant. In the current year, the losses generated were £10,000

#### **Future Developments**

The College has continued to work collaboratively with partners across the region including Skills Development Funded project and FEPDG. These partnerships have helped forge links with local employers and improve the quality of teaching and learning across the College.

For the financial year 2022-23 the College has continued some of these partnerships and have forged new ones with the Football Foundation to provide top class sporting facilities on campus.

In terms of Capital Investment this is at a College record in recent times with funded projects for 21-22 of roofing works on both of our older blocks and a Post 16 Capacity project to provide 12 new state of the art classrooms.

In terms of capital commitments these are set out in note 20. Commitments at the year end include completion of the Roofing Project in B block and our A block extension

#### **Treasury Policies and Objectives**

Treasury management is the management of the College's cash flows and its banking, 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.

All borrowing shall comply with the requirements of the College's Financial Regulations and the Funding Agreement.

**REPORT OF THE GOVERNING BODY (CONTINUED)**

**Cash Flows and Liquidity**

A net cash inflow of £140,000 (2020-21 inflow £1,821,000) was generated from operating activities during the year.

The College cash flow forecasts for 2021-22 indicated that there was no requirement for an overdraft facility. The College has successfully managed its cash flows throughout the year and through careful management has generated interest of £6,000. The College made loan repayments during the year of £219,000.

**Reserves Policy**

The College recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. The College has a requirement within its banking covenants to hold a minimum unrestricted reserves level of £3,000,000. As at the balance sheet date, unrestricted reserves were College £9,273,000, Group £9,221,000 (2020-2021 College £4,766,000). The Corporation approved a Reserves policy in 2016-17 which was reviewed during 2021-22.

**Financial Health**

The College has successfully achieved and sustained Outstanding Financial Health for the last 3 years. There is a strong record of delivering results in line or in excess of the financial plan and it is anticipated that throughout the life of the current plan the College will remain at least a strong Good score.

**Financial Plan**

The College and its Corporation are committed to sustaining at least Good financial health for the period of the 3 year financial plan. The CFFR submitted in July 2022 indicated that the College would achieve at least good under both the existing and proposed methodology. The Plan indicates strong cash flows with stable cash days.

The plan is reviewed regularly and has been stress tested for the impact of ongoing capital bids. The College has consistently outperformed its strategic financial targets.



## John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### REPORT OF THE GOVERNING BODY (CONTINUED)

#### Student Numbers

The College is funded on a lagged basis according to the level of activity it generates each year.

The College enrolls primarily from ten 11-16 schools and one secondary special school in North Lincolnshire as well as recruiting students from outside the local area. Currently over 40% of learners come from outside the area.

The College recruited a cohort of fee paying international students, currently 46 (2020-21 - 48).

Diverse groups of learners are expertly supported to successful programmes of study and the vast majority of ethnic groups perform at, or above college and national averages, as do learners with learning difficulties or disabilities.

#### Student Achievements

The College recruits students with a large range of qualifications on entry and delivers successful courses from Entry Level and basic life-skills, up to level 3. Most students achieve qualifications at level 3 with an even mix of general vocational and academic courses. Students are drawn from a diverse catchment including the local town, the wider local geographical area and internationally.

The College is very successful in terms of providing a springboard for progression to Higher Education, apprenticeships or employment. Provisionally, 66% of funded leavers have gained a place at university, with 20% gaining a place at Russell Group Universities. Approximately a quarter of students gaining a place at university do so in science, technology, engineering and mathematics, linking to the industrial focus of the town, and also to the national skills-gap agendas and regional LEP priorities. LEP priorities are also well-served by strong recruitment to courses in Health. Also provisionally, over 15% of funded leavers gained an apprenticeship with the vast majority of the remaining leavers moving directly into employment.

The College was inspected by OFSTED in May 2018 and continues to be a 'good' provider.

The College results were strong, with 99% pass rate across all courses. General vocational courses, where college enrolments continue to diversify have very strong outcomes with high-grade rates around 83%. Grades in academic level 3 courses (A-Levels) are significantly stronger than the last externally assessed results from 2019, with high grade rates of 58% (A\* to B). Progress measures are difficult to interpret, as students have come to us with less reliable results from GCSE as a result of teacher/center assessed grades. However, progress for the old framework (QCF) vocational courses continues to be in the top 10% nationally, while progress for the new framework (RQF) vocational courses is slightly lower but well above national averages. Level 2 provision is equally strong, with a large group of learners resitting GCSE English or mathematics increasing their grades by +0.8 / +0.3 on average respectively – against national rates between 0.0 and +0.1.

**REPORT OF THE GOVERNING BODY (CONTINUED)**

**Student Achievements (Continued)**

Diverse groups of learners are expertly supported to successful programmes of study and the vast majority of ethnic groups perform at, or above college and national averages, as do learners with learning difficulties or disabilities.

Study programme support for students is strong and personalised with a well-qualified team of 'Progress Tutors' providing targeted, timely and effective support, especially in pastoral issues. This is complemented by an effective and highly visible well-being team that supports learners with more complex support needs.

To enhance the learner experience, the college has an extensive, sector-leading, enrichment programme, which has gained national recognition from the Sixth Form Colleges Association. In many cases, these enrichments are student-led and strongly support college retention, student wellbeing and an improved, broader learner experience. The diverse and engaging enrichment programme continued through lock-down, with learners continuing to take a lead in many instances.

**Going Concern**

In line with sector challenges, John Leggott College is operating within very strict financial constraints. The sector faces several challenges in the coming financial year including significantly increased energy costs, the ONS Review, uncertainty with regards to pay awards and spiralling inflation. Whilst lagged funding stability has allowed the College to set a balanced and strong budget the College will need to monitor all costs carefully and manage its cashflows to ensure successful delivery of the capital projects currently in hand.

The College has a financial plan which is regularly reviewed and updated for changing circumstances when needed. All income streams are risk assessed on a regular basis and mitigating actions taken as needed. Management accounts track diversified income streams to ensure that these are financially sustainable and any significant proposed new income streams are scrutinised by the Corporation prior to commencement.

The financial statements, management accounts and financial plans all indicate that all banking covenants will be met. The College continues to operate comfortably within its borrowing package and is scheduled in cash flow projections to make all loan repayments as they become due in 2022/23.

The 2 year cash flow presented to all Corporation members on a regular basis indicates that the college has sufficient liquid resources to meet all liabilities as they fall due within the foreseeable future

# **John Leggott College**

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## **REPORT OF THE GOVERNING BODY (CONTINUED)**

### **Resources**

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

### **Planned Maintenance**

Having identified key priorities the college submitted a condition improvement fund bid for 2021-22 which was successful. This allowed the college to undertake essential roofing works in some of our oldest blocks.

### **Financial**

The College has £9,252,000, Group £9,221,00 (College 2020-2021 £4,766,000, ) of net assets including a College net pension liability of Nil (2020-21 £3,832,000), Group( £46000 )

### **People**

The College employs 176 (2020-21: 167) people of whom 81 (2020-21: 83) are teachers.

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

### **Principal Risks and Uncertainties**

The College has a formal on-going process for identifying, evaluating and managing the College's risks which includes:-

- identification of risks affecting the enabling of the Strategic Development Plan by the Risk Management Group (RMG) (comprised of Senior Management Team (SLT), Directors to form a Strategic Risk Register
- regular review of the Strategic Risk Register by the RMG
- reporting at SLT meetings
- reporting at every meeting of the Audit Committee
- reporting at regular Corporation Board meetings
- a sensitivity analysis and costed contingency plan which accompanies the commentary to the 3 year financial forecast
- external audit provides feedback to the Audit Committee on the operation of the internal financial controls of the College
- utilisation of external consultants to highlight risk areas and recommend mitigating actions to minimise periodically

Outlined as follows 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.

**REPORT OF THE GOVERNING BODY (CONTINUED)**

**Principal Risks and Uncertainties (continued)**

**1. External Factors and Government Funding**

The College has considerable reliance on continued government funding via the ESFA. In 2021-22 84.00%, whilst this is less than most in the sector most of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding which include:

- The demand led funding system which applies a series of factors such as guided learning hours and success rates to calculate an amount of funding to be received for each learner. Such funding cannot be guaranteed though
- Vocational reforms with the implementation of T levels and review of applied general qualifications
- ONS review

This risk is mitigated in a number of ways:

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

**2. Maintain Adequate Funding Of Pension Liabilities**

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102

**3. Failure To Maintain The Financial Viability Of The College**

The College's current financial health grade is classified as Outstanding and it is anticipated that the financial health grade will be confirmed as Outstanding based on these financial statements. The College financial plan indicates that the College can sustain a Good financial health grade for the life of the plan.

- Diversified income streams reducing reliance upon public sector income
- Robust financial controls
- By rigorous budget setting procedures and sensitivity analysis
- Regular financial monitoring during the year

## REPORT OF THE GOVERNING BODY (CONTINUED)

### Principal Risks and Uncertainties (continued)

#### 5. Covid-19

The Risk Management Group first considered the risk of Covid-19 on 4<sup>th</sup> February 2020 having previously been considered by FMC and SLT. A separate Covid-19 risk register was produced in March 2020. This covered the impact of Covid-19 on all other risk factors including consideration of

- Health & Safety
- Finances
- Learner Outcomes
- Safeguarding
- IT Support

The need for a separate Covid-19 register was reviewed during the course of 21-22 with Covid related risks included in the general Risk Management process

#### Stakeholder Relationships

In line with other Colleges John Leggott College has many stakeholders. The Corporation is currently reviewing the stakeholder engagement strategy and action plan which will be monitored for implementation and impact by the search committee. A new plan is to be presented to Corporation during Autumn 22 for consideration. This has been delayed whilst awaiting the outcome of the Skills Bill and its impact.

Stakeholders currently include:

- Schools/ Academies
- Local Authority
- Parents
- International
- LEPs
- Employers
- Third Sector (voluntary) organisations
- Staff
- Corporation
- Educational Standards Bodies including Ofsted
- Students
- Other educational providers
- Education Sector Funding Bodies
- Community
- Representative bodies
- Universities
- Other educational professionals

#### Equality

The College is committed to a policy of equality of opportunity and aims to provide a working and learning environment free from any discrimination, harassment and victimisation. We are a diverse College that respects and celebrates differences in race, disability, gender, age, gender identity, sexual orientation, faith and religious beliefs, background or personal circumstance. We want everyone to feel valued and included in the College community and to achieve his or her full potential.

**REPORT OF THE GOVERNING BODY (CONTINUED)**

**Equality (Continued)**

All forms of prejudice and discrimination are unacceptable, and any form of discrimination or harassment needs to be reported.

This means the College is a place where ALL students and staff, whatever their circumstances or background:

- are fully respected
- feel welcome
- are treated in a friendly way
- have equality of opportunity
- have appropriate support

The measures for monitoring the impact of our inclusivity, diversity and equality measuring will be included in the new HR Strategy to be presented to Corporation during Autumn 2021.

**Disability Statement**

The College believes that the diversity of its community is an essential part of its values and enriches employment, research, studying and learning experiences.

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

- The College has held the 'Disability Confident' award since 2016. The award is Jobcentre plus co-ordinated national award to organisations demonstrating a positive attitude towards employing disabled people.
- Specialist programmes are provided within College with good progression rates.
- The College employs a Special Educational Needs Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.

Counselling and welfare services are available for both students and staff. These are signposted via Student Support, the Well-Being team and Human Resources.

## John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### REPORT OF THE GOVERNING BODY (CONTINUED)

#### 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 TU officials during relevant period	FTE employee number
0	0

Percentage of time	Number of employees
0%	0
1-50%	0
51-99%	0
100%	0

Total cost of facility time	-
Total pay bill	-
Percentage of total bill spent on facility time	0%

Time spent on paid trade union activities as a percentage of total paid facility time:	0%
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#### Events After The Reporting Period

On 29 November 2022, the Office for National Statistics reclassified all college corporations (and their subsidiary companies) as public sector institutions with immediate effect and this prompted the Department for Education to introduce some new rules for colleges (and their subsidiary companies) which will take effect during 2023.

The College considers this announcement to be a non-adjusting post balance sheet event and is evaluating the implications of the announcement and the potential new rules but do not consider that they will have an impact on these financial statements.

The College has successfully bid for a new 3G pitch in collaboration with the Football Foundation and local partners. This will allow for a £932,000 investment into our sporting provision with the community.

The College has also had success in bidding for further Skills Development Fund investment which will allow for capital investment of £164,000

## John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### REPORT OF THE GOVERNING BODY (CONTINUED)

#### Disclosure Of Information To Auditors

##### Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payment to suppliers within 30 days of either the provision of goods or services or the date on which the invoice is received. The target set by Treasury is for payment to suppliers within 30 days in 95 per cent. During the accounting period 1 August 2021 to 31 July 2022, the College paid 84 per cent of its invoices within 30 days.

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/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 6 Dec 2022 and signed on its behalf by:

A Pascoe

- Chairperson



**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

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

The College endeavours to conduct its business:

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

and

- iii. having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and seeks to comply with the Code of Good Governance. The College complies with the main principles of the UK Corporate Governance Code insofar as they are applicable to the further education sector.

In the opinion of the governors, the College complies with most provisions of the Code of Good Governance throughout the year ended 31 July 2022. The College currently has an action plan in place to address any outstanding areas of compliance occurring from the recently revised Code. This is monitored by the Search Committee. The action plan is available for scrutiny.

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.

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

**The Corporation**

As part of their control measures the Corporation tentatively agreed at their Planning Day in May 22 to commission an external review of governance during the Summer Term 23. It was further agreed that the theme and main focus of this be agreed at their next Planning Day in 23.

(Please refer to appendix A for attendance at meetings)

(Please refer to appendix B for training & development of governors)

# STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONTINUED)

## The Corporation (Continued)

	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served
Mr J Aslam	5 July 2016 and reappointment July 2018 and July 2021	3 years		External	Audit
Mr S Driver	2008 and reappointed July 2012, 2016, 2018 and 2021	3 years		External	Financial Monitoring Remuneration
Mr J Fitzgerald	18 October 2016 and reappointed October 2018 and 2020	3 years		External	Quality Assurance Audit
Mr J Watkinson	12 December 2020	2 years		Staff	Search
Mrs S Hotchin	14 December 16 and reappointed December 2018	3 years	31 July 2022	External	Search
Mrs GA Moore	1996, 2000, 2004, 2008 and reappointed September 2012 & 2016, 2018, 2020 and 2021	1 years		External	Search Audit
Mrs N Salter	12 December 2021	2 years		Parent	Audit
Mr AW Pascoe	2004, 2008 and reappointed September 2012, 2016, 2018 and 2021	3 years		External	Chairperson Corporation, Remuneration Quality Assurance FMC
Mr P Raistrick	13 October 2017 and reappointed 2019 and appointed as external Governor in 2021	2 years		Parent	Quality Assurance Remuneration
Mr L Riley	1 September 2016	Ex-Officio		Principal	
Mr C Marriott	13 December 2021	8 months		Student	
Mr P Townsley	26 February 2015 and reappointed 2019 and 2022	3 years		External	Financial Monitoring Quality Assurance
Mrs B Robinson acts as Clerk to the Corporation					
Mr A Douglas acted as a co-opted member on the Financial Monitoring Committee effective from March 2018					

## **STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONTINUED)**

### **The Corporation (Continued)**

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure and quality matters. The Corporation meets at least twice termly.

The Corporation has seven working committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are audit, remuneration, search, financial monitoring, quality assurance, international and buildings.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at [www.leggott.ac.uk](http://www.leggott.ac.uk) or from the Clerk to the Corporation at:

John Leggott College  
West Common Lane  
Scunthorpe  
DN17 1DS

[beckyrobinson@leggott.ac.uk](mailto:beckyrobinson@leggott.ac.uk)

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

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

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

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

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

### **Appointments To The Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office of one, two or three years.

**STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL  
(CONTINUED)**

**Corporation Performance**

The Corporation considers its own performance regularly and uses a number of benchmarks in which to draw its conclusions. In addition each of the four key committees (audit, financial monitoring, quality assurance and search) undertake an annual assessment of their own performance and impact. The Corporation also considers their performance against the Code of Good Governance.

**Remuneration Committee**

Throughout the year ending 31 July 2022, the College's remuneration committee comprised the Chairperson, a member of Financial Monitoring Committee and an External governor. The committee's responsibilities are to make decisions on the performance, remuneration, contracts and benefits of the Principal and other senior post-holders. These decisions are then reported to the Board.

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

**Audit Committee**

The Audit Committee comprises four members of the Corporation (excluding the Principal). The committee operates in accordance with written terms of reference approved by the Corporation. It ensures that at least one member is experienced and qualified in audit and compliance matters.

The Audit Committee meets on a quarterly basis and provides a forum for reporting by the College's regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the FE funding body, as it affects the College's business.

As part of the Board Assurance framework the Audit Committee commissions external independent reviews of identified areas of risk.

Management is responsible for the implementation of agreed recommendations of external reviews, progress is tracked and evidence of completion provided to Audit Committee.

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

## **STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONTINUED)**

### **Financial Monitoring Committee**

The Financial Monitoring Committee comprises of four governors. It ensures that at least one member is experienced and qualified in accounting matters. It meets on at least a half-termly basis and scrutinises all matters relating to finance and funding. The chair of this committee attends the Audit Committee prior to approval of these accounts by the Corporation. All members of the board receive monthly management accounts and 2 year cash flow.

### **Search Committee**

The Search Committee comprises three members of the Corporation (excluding the Principal). The Committee operates in accordance with written terms of reference approved by the Corporation.

The main focus is on recommending to Corporation on appointments of governors and best practice in terms of governance arrangement. The Search Committee is responsible for monitoring compliance with the Code of Good Governance for English Colleges.

### **Quality Assurance Committee**

The Quality Assurance Committee comprises four governors plus the Principal. The Committee is advised by the three Assistant Principals and the Deputy Principal. The Committee operates in accordance with written terms of reference approved by the Board. The Chair of this Committee is experienced in quality assurance matters having served as a local secondary head teacher for many years. The Committee triangulates the evidence it receives via the use of data, learning walks, etc.

The Committee at every meeting scrutinises progress and impact of the College Quality Improvement Policy.

### **International Committee**

The International Committee comprises two governors plus the Principal and invites other participants as required. The Committee has no delegated powers and meets to consider the international Strategy and to recommend due diligence where appropriate and to make recommendations to the Corporation.

### **Internal Control**

#### *Scope of responsibility*

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

## STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONTINUED)

### Internal Control (Continued)

#### *Scope of responsibility (continued)*

Governors have focussed their use of management internal audit time to provide sources of assurance on matters that they know to be of higher risk as underpinned by the risk management process. In doing this they ensure that the internal audit process delivers best value for money; this includes the appointment of external consultants where appropriate.

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

#### *The purpose of the system of internal control*

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

#### *Capacity to handle risk*

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

#### *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



## STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONTINUED)

### Internal Control (Continued)

#### *The risk and control framework (continued)*

- setting targets to measure financial and other performance outcomes
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

#### *Review of effectiveness*

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

- the work of the Risk Management Group
- 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 and the regularity auditors in their management letters and other reports
- the receipt of internal and external sources of assurance

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

The Principal and the senior leadership team as part of the Risk Group receive 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 College. The senior leadership team and the Audit Committee also receive regular reports from audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is to provide an opinion on whether the College has an adequate and effective assurance 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".

In addition, the Audit Committee confirms whether the College's financial statements fulfil statutory and regulatory responsibilities in line with funding body specific requirements. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the senior leadership team and sources of assurance, and taking account of events since 31 July 2022.

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

### Internal Control (Continued)

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

### Going Concern

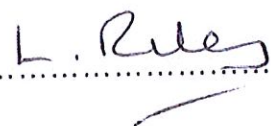
After making appropriate enquiries as outlined in the accounting policies (pages 36-38) and the Going Concern section of the Report of the Governing Body (pages 9), the Corporation considers that the College has adequate resources to continue in operational existence for the period of the financial plan submitted July 2022. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 6 Dec 2022 and signed on its behalf by:

A Pascoe – Chairperson

  
.....

L Riley – Accounting Officer

  
.....



## John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### GOVERNING BODY'S STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY TERMS AND CONDITIONS OF FUNDING

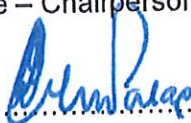
The Corporation has considered its responsibility to notify the ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the corporation's grant funding agreements and contracts with ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with ESFA.

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

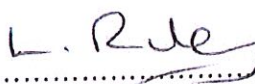
We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

Approved by order of the members of the Corporation on 6 Dec 2022 and signed on its behalf by:

A Pascoe – Chairperson

  
.....

L Riley – Accounting Officer

  
.....

## **STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION**

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

Within the terms and conditions of the Corporation's Funding Agreements and contracts with ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year, in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the Corporation and 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 (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the Corporation will continue in operation.

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

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

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

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

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION (CONTINUED)

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 Corporation's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 6 Dec 2022 and signed on its behalf by:

A Pascoe  
Chairperson



## **Independent auditor's report to the Members of the Corporation of John Leggott College**

### **Opinion-TOBEUPDATED**

We have audited the financial statements of John Leggott College (the 'College') for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of its income and expenditure for the year then ended 31 July 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Members of 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

## **Independent auditor's report to the Members of the Corporation of John Leggott College (continued)**

the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 annual report, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

## **Independent auditor's report to the Members of the Corporation of John Leggott College (continued)**

### **Responsibilities of Corporation**

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 25, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either 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 the 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. Based on our understanding of the College and its industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the ESFA funding agreements, the OFS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements.

We evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in



## **Independent auditor's report to the Members of the Corporation of John Leggott College (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Members of the Corporation and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of the audit report**

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume

## John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### **Independent auditor's report to the Members of the Corporation of John Leggott College (continued)**

#### **Use of the audit report (Continued)**

responsibility to anyone other than the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP  
David Hoose (Dec 8, 2022 09:30 GMT)

Mazars LLP

Chartered Accountants and Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 08-Dec-2022



# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## CONSOLIDATED AND COLLEGE STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE

	Notes	Year ended 31 July 2022		Year ended 31 July 2021
		Group £'000	College £'000	College £'000
<b>INCOME</b>				
Funding body grants	2	8,540	8,540	8,071
Tuition fees and education contracts	3	679	679	638
Other Grants and Contracts	4	334	334	54
Other income	5	611	611	477
Investment income	6	6	6	4
<b>Total Income</b>		<b>10,170</b>	<b>10,170</b>	<b>9,244</b>
<b>EXPENDITURE</b>				
Staff costs	7	6,540	6,531	5,947
Other operating expenses	9	2,648	2,642	2,055
Depreciation	12	522	522	492
Interest and other finance costs	10	143	142	139
<b>Total Expenditure</b>		<b>9,853</b>	<b>9,837</b>	<b>8,633</b>
<b>Surplus/(Deficit) -</b>				
<b>Before Other Gains and Losses</b>		<b>317</b>	<b>333</b>	<b>611</b>
(Loss) on disposal of tangible fixed assets		(18)	(18)	(26)
<b>Surplus/(Deficit) Before Tax</b>		<b>299</b>	<b>315</b>	<b>585</b>
Taxation	11	-	-	-
<b>Surplus/(Deficit) For The Year</b>		<b>299</b>	<b>315</b>	<b>585</b>
Re-measurement of net defined benefit pension liability	22	4,156	4,192	29
<b>Other Comprehensive Income For The Year</b>		<b>4,156</b>	<b>4,192</b>	<b>29</b>
<b>Total Comprehensive Income For The Year</b>		<b>4,455</b>	<b>4,507</b>	<b>614</b>
<b>Total Comprehensive Income For The Year</b>				
<b>Attributable To Corporation Of The College</b>		<b>4,455</b>	<b>4,507</b>	<b>614</b>

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## CONSOLIDATED AND COLLEGE BALANCE SHEETS AS AT 31 JULY 2022

	Notes	Group 2022 £'000	College 2022 £'000	College 2021 £'000
<b>Fixed Assets</b>				
Tangible assets	12	14,703	14,703	13,498
		14,703	14,703	13,498
<b>Current Assets</b>				
Debtors	13	1,092	1,092	440
Cash at bank and in hand		3,060	3,060	2,920
		4,152	4,152	3,360
<b>Current Liabilities</b>				
Creditors – amounts falling due within one year	14	(2,960)	(2,954)	(2,352)
<b>Net Current Assets /(Liabilities)</b>		1,192	1,177	1,008
<b>Total Assets Less Current Liabilities</b>		15,895	15,880	14,506
<b>Creditors – Amounts Falling Due After More Than One Year</b>	15	(6,624)	(6,624)	(5,903)
<b>Provisions For Liabilities</b>				
Defined benefit pension scheme	22	(46)	-	(3,832)
Other provisions	16	(4)	(4)	(5)
<b>Total Net Assets</b>		9,221	9,252	4,766
<b>Unrestricted Reserves</b>				
Income and expenditure reserve		6,143	6,195	1,624
Revaluation reserve		3,078	3,078	3,142
<b>Attributable To The College Corporation And Total Unrestricted Reserves</b>		9,221	9,273	4,766

The financial statements on pages 29 to 55 were approved and authorised for issue by the Corporation on 6 Dec 2022 and were signed on its behalf on that date by:

Andy Pascoe  
Chairperson

Leon Riley  
Accounting Officer

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## CONSOLIDATED AND COLLEGE STATEMENTS OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2022

College	Income And Expenditure Reserve £'000	Revaluation Reserve £'000	Total £'000
<b>Balance At 31 July 2020</b>	946	3,206	4,152
Surplus for the year	585	-	585
Other comprehensive income	29	-	29
Transfers between revaluation and income and expenditure reserves	64	(64)	-
<b>Total Comprehensive Income For The Year</b>	678	(64)	614
<b>Balance At 31 July 2021</b>	1,624	3,142	4,766
Surplus for the year	315	-	315
Other comprehensive income	4,192	-	4,192
Transfers between revaluation and income and expenditure reserves	64	(64)	-
<b>Total Comprehensive Income For The Year</b>	4,571	(64)	4,507
<b>Balance At 31 July 2022</b>	6,195	3,078	9,273

Group	Income And Expenditure Reserve £'000	Revaluation Reserve £'000	Total £'000
Reserves on formation	1,624	3,142	4,766
Surplus for the year	299	-	299
Other comprehensive income	4,156	-	4,156
Transfers between revaluation and income and expenditure reserves	64	(64)	-
<b>Total Comprehensive Income For The Year</b>	4,519	(64)	4,455
<b>Balance At 31 July 2022</b>	6,143	3,078	9,221

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £'000	2021 £'000
<b>Operating Activities</b>			
Cash generated from operations	18	2,177	2,336
<b>Net cash from operating activities</b>		<u>2,177</u>	<u>2,336</u>
<b>Investing Activities</b>			
Withdrawal of deposits		-	500
Payments made to acquire fixed assets		(1,744)	(724)
Receipts from sale of fixed assets		-	2
		<u>433</u>	<u>2,114</u>
<b>Financing Activities</b>			
Interest paid		(74)	(84)
Repayments of borrowings		(219)	(209)
Capital elements of finance lease repayments		-	-
		<u>(293)</u>	<u>(293)</u>
<b>Increase/(Decrease) In Cash And Cash Equivalents In The Year</b>		<u>140</u>	<u>1,821</u>
<b>Cash And Cash Equivalents At Beginning Of The Year</b>		<u>2,920</u>	<u>1,099</u>
<b>Cash And Cash Equivalents At End Of The Year</b>		<u>3,060</u>	<u>2,920</u>
<b>Cash And Cash Equivalents Comprise:</b>			
Cash at bank and in hand		3,060	2,920
		<u>3,060</u>	<u>2,920</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Accounting Policies**

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

#### **General Information**

John Leggott College is a corporation established under the Further and Higher Education Act 1992 as an English general College of further education. The address of the College's principal place of business is given on page 18. The nature of the College's operations are set out in the Report of the Governing Body.

#### **Basis Of Accounting**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2019 to 2020 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) under the historical cost convention. 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.

The financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### **Basis of Consolidation**

The consolidated financial statements include the College and its subsidiary, JLSFC Services 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. Under the purchase method of accounting, the results of subsidiary and associated 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.

#### **Going Concern**

The activities of the College, together with factors likely to affect its future development and performance are set out in the Report of the Governing Body. External factors

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting Policies (Continued)**  
**Going Concern (Continued)**

including future spending reviews have been considered in the preparation of the financial plan.

For the period to 31 July 2022 all banking covenants have been met and the College has demonstrated its ability to operate within its borrowing package. The Financial Plans for 2022 and 2023 also indicate that the College will continue to meet covenants and operate within borrowings.

The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying notes.

The College currently has £2,005,000 of loans outstanding with bankers, of which £86,000,000 is on terms negotiated in 2012 and a further £1,190,000 is on terms negotiated in 2019. Of the loans portfolio £1,750,000 is on fixed rate terms which are affordable and give additional certainty to cash flows.

The terms of the 2012 agreement are for up to another 5 years to 30 November 2027.

The terms of the 2019 agreements are up to another 2 years to July 2024.

The College meets regularly with the banks and provides covenant reporting to both lenders.

The financial plans for 2022-23 and 2023-24 are regularly reviewed in terms of recruited numbers and the impact of both student numbers and funding per learner. The College currently has a sustainable financial plan that allows for confirmed lagged funding numbers. This plan has been stress tested with sensitivities such as reduced international numbers and excessive costs due to the energy crisis and inflationary pressures. Planning assumptions for 2022-2023 are:

- Funding per learner is maintained at current levels
- The Teachers Pension Grant is continued for the life of the financial plan
- 1,672 ESFA funded learners as the lagged funded number for 2022-2023
- The College continues to be able to maintain cost savings without impacting on quality of provision

The College's financial forecasts and projections indicate that the College will be able to operate within all banking covenants for the foreseeable future. Monthly management accounts are produced and scrutinised by Financial Monitoring Committee in a timely manner. All new revenue streams are monitored closely for financial viability and contribution to core costs. The College has continually demonstrated its ability to reduce both pay and non-pay costs and has now established consistently Outstanding financial health.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **1. Accounting Policies (Continued) Going Concern (Continued)**

Accordingly the College anticipates 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 Financial Statements.

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

#### **Recognition of Income Revenue Grants**

Funding body recurrent grants are measured in line with best estimates for the year of what is receivable and depend on the particular income stream involved. Any under achievement of 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.

16-19 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

Grants from non-government sources, including grants relating to assets, are recognised in income when the College has met the performance-related conditions and the grant will be received. Income received in advance of performance-related conditions being met is recognised as a liability.

#### **Capital Grant Funding**

Government capital grants other than land, are capitalised, held as deferred income and recognised as income over the expected useful life of the asset, under the accrual model as permitted by FRS102. 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 conditions are met.

#### **Other Income**

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1. Accounting Policies (Continued)

#### Other income (Continued)

Income from tuition fees is recognised over the period for which it is received. The associated costs of overseas recruitment are recognised in the period in which they are incurred. The costs of any fees waived by the College are included in note 9.

All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

#### Retirement Benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions Scheme (TPS) and the East Riding Pension Fund (ERPF), which are multi-employer defined benefit plans.

#### 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 the 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 are recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### East Riding Pension Scheme (ERPF)

The ERPF is a funded scheme. The assets of the ERPF are measured using the closing fair values. ERPF liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high 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. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within interest and other finance costs.

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the [College] will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting Policies (Continued)**

**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. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

**Enhanced Pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to comprehensive 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 body.

**Tangible Fixed Assets**

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

Land and buildings are stated at cost or deemed cost for land and buildings at the date of transition to FRS 102 less accumulated depreciation and accumulated impairment losses.

**Equipment**

Equipment costing less than £1,000 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

**Depreciation and residual values**

Freehold land is not depreciated as it is considered to have an infinite useful life. Depreciation on other assets is calculated, using the straight line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- Freehold buildings – 10-50 years
- Leasehold improvements - over the term of the lease
- Equipment - 10 years or 5 years

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting Policies (Continued)**

**Tangible Fixed Assets (Continued)**

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

**Impairments of Fixed Assets**

A review for impairment of 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.

Impairment of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

**Borrowing Costs**

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

**Leased Assets**

All leases are operating leases and annual rents are charged to The Statement of Comprehensive Income and Expenditure on a straight line basis over the lease term.

**Cash and Cash Equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Financial Instruments**

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1. Accounting Policies (Continued)

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs) except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### 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 receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input that it suffers on goods and services purchases. Capital costs and non-pay expenditure are therefore shown inclusive of VAT.

The College's subsidiary is subject to corporation tax and VAT in the same way as any commercial organisation.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting Policies (Continued)**

**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 that reflects the risks specific to the liability. 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 reliably measured

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

**Agency Arrangements**

The College acts as an agent in distributing discretionary support funds from the funding body. Payments received from the funding body and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

**Critical Accounting Judgements and Estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical areas of judgement**

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

- Determined 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting Policies (Continued)**

**Critical Accounting Judgements and Estimation uncertainty (continued)**

- For East Riding Pension Fund valuation purposes the College has assumed a 5% pay increase until 31 July 2023, 2% for 2023-2024 pay increase and thereafter reverting to standard assumption of 2.87%.
- Pension Increase orders are used to set the level of pension increases with effect from 1 April of each year, normally with reference to the change in CPI inflation over the 12 months of the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 July 2022. As Pension Increase orders are not automatically set with reference to the September CPI and they are only known with certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.
- Tangible fixed assets

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

- East Riding Pension Fund

The present value of the East Riding Pension Fund 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- Impairment of fixed assets

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting Policies (continued)**

**Critical Accounting Estimations and Assumptions (continued)**

**2. Funding Body Grants**

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
<b>Recurrent Grants</b>			
ESFA: 16-18	7,905	7,905	7,298
ESFA: 14-16	-	-	214
ESFA: Adults	34	34	45
ESFA: Apprenticeships	-	-	-
<b>Specific Grants</b>	601	601	514
<b>Total</b>	<u>8,540</u>	<u>8,540</u>	<u>8,071</u>

**3. Tuition Fees and Education Contracts**

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Tuition fees	501	501	471
Education contracts	178	178	167
<b>Total</b>	<u>679</u>	<u>679</u>	<u>638</u>

**4. Other Grants and Contracts**

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Coronavirus Job Retention Scheme grant	-	-	54
Other Grants	334	334	-
<b>Total</b>	<u>334</u>	<u>334</u>	<u>54</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Other Grants and Contracts (continued)**

The corporation furloughed a total of 23 in 2021 staff including lettings staff, teachers and technicians as a proportionate response to the losses in non ESFA funded activity. Under the government's Coronavirus Job Retention Scheme. The funding received of £54,000 relates to staff costs which are included within the staff costs note below as appropriate.

**5. Other Income**

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Catering	30	30	-
Miscellaneous income	161	161	189
Exam fee income	8	8	8
Travel pass income	367	367	276
Visit contributions	45	45	4
<b>Total</b>	<b>611</b>	<b>611</b>	<b>477</b>

**6. Investment Income**

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Other interest receivable	6	6	4
<b>Total</b>	<b>6</b>	<b>6</b>	<b>4</b>

**7. Staff Costs and Key Management Personnel Remuneration**

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

	Group 2022 Number	College 2022 Number	College 2021 Number
Teaching staff	81	81	83
Non-teaching staff	95	67	84
	<b>176</b>	<b>148</b>	<b>167</b>



# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. Staff Costs and Key Management Personnel Remuneration (Continued)

#### Staff Costs For The Above Persons:

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Wages and salaries	4,475	4,473	4,279
Social security costs	434	435	400
Other pension costs	1,188	1,180	1,155
Payroll subtotal	6,097	6,088	5,834
Contracted-out staff	443	443	113
<b>Total Staff Costs</b>	<b>6,540</b>	<b>6,531</b>	<b>5,947</b>

### 8. Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the senior leadership team which comprises the Principal, Deputy Principal, Assistant Principals, Director of Finance and Resources and Director of Governance. The Principal and Director of Governance are both senior post holders.

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

	Group 2022 No.	College 2022 No.	College 2021 No.
The number of key management personnel including the Accounting officer	7	7	6

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

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8. Key Management Personnel (Continued)

	Group 2022 No.	College 2022	College 2021 No.	Group 2022 No.	College 2022 No.	College 2021 No.
£40,001 to £45,000 p.a.	-	-	-	-	-	-
£45,001 to £50,000 p.a.	1	1	1	-	-	-
£50,001 to £55,000 p.a.	-	-	-	-	-	-
£55,001 to £60,000 p.a.	1	1	2	-	-	-
£60,001 to £65,000 p.a.	3	3	1	-	-	-
£65,001 to £70,000 p.a.	-	-	-	-	-	-
£70,001 to £75,000 p.a.	-	-	1	-	-	-
£75,001 to £80,000 p.a.	-	-	-	-	-	-
£80,001 to £85,000 p.a.	1	1	-	-	-	-
£85,001 to £90,000 p.a.	-	-	-	-	-	-
£90,001 to £95,000 p.a.	-	-	-	-	-	-
£95,001 to £100,000 p.a.	-	-	-	-	-	-
£100,001 to £105,000 p.a.	-	-	-	-	-	-
£105,001 to £110,000 p.a.	-	-	-	-	-	-
£110,001 to £115,000 p.a.	-	-	-	-	-	-
£115,001 to £120,000 p.a.	1	1	1	-	-	-
	<b>7</b>	<b>7</b>	<b>6</b>	-	-	-

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Salaries	449	449	420
National Insurance	53	53	51
	<b>502</b>	<b>502</b>	<b>471</b>
Pension contributions	97	97	100
<b>Total Emoluments</b>	<b>599</b>	<b>599</b>	<b>571</b>

There were no amounts due to key management personnel that were waived in the year. The College has salary sacrifice arrangements in place for childcare vouchers. In addition to the above compensation an amount of £nil (2021 - £nil) was incurred for childcare salary sacrifice scheme.

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid of key management personnel) of:

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8. Key Management Personnel (Continued)**

<b>Current Principal:</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>	<b>College 2021 £'000</b>
Salaries	117	117	116
National Insurance	15	15	15
	<u>132</u>	<u>132</u>	<u>131</u>
Pension contributions	28	28	27
<b>Total Emoluments</b>	<u>160</u>	<u>160</u>	<u>158</u>

The governing body has adopted most aspects of the AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its recommendations.

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

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

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple. This calculation is based upon all other employees on a full time equivalent basis. Agency workers are excluded from this calculation.

	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>	<b>College 2021 £'000</b>
Principal's basic salary as a multiple of the median of all staff	4.54	4.05	4.52
Principal and CEO's total remuneration as a multiple of the median of all staff	4.54	4.05	4.52

**Governors' Remuneration**

The Accounting Officer and the staff members only receive remuneration in respect of services they provide undertaking their roles of Principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the College in respect of their roles as governors.

Governors have received reimbursement of travel costs in line with College policy of £nil (2021: nil). No Governor has received remuneration or waived any payments from the College during the year (2021: nil).

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## 9. Other Operating Expenses

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Teaching costs	1,105	1,105	753
Non-teaching costs	1,070	1,064	703
Premises costs	473	473	599
<b>Total</b>	<b>2,648</b>	<b>2,642</b>	<b>2,055</b>

## Surplus Before Taxation Is Stated After Charging:

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Auditor's remuneration:			
Financial statements audit	25	25	14
Other services provided by the financial statements auditor	3	3	2
Operating lease rentals	34	34	43

## 10. Interest and Other Finance Costs

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Bank loans, overdrafts and other loans	74	74	84
Net interest on defined pension liability (note 23)	69	68	55
<b>Total</b>	<b>143</b>	<b>142</b>	<b>139</b>

## 11. Taxation

The Governors do not believe the College or the Group is liable for any Corporation tax arising out of its activities during either year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****12. Tangible Fixed Assets**

	Freehold land and buildings	Leasehold improvements	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2021	19,298	118	2,320	380	22,116
Additions	174	-	512	1,059	1,745
Transfers	536	-	-	(536)	-
Disposals	(41)	-	-	-	(41)
At 31 July 2022	19,967	118	2832	903	23,820
<b>Depreciation</b>					
At 1 August 2021	6,465	107	2,046	-	8,618
Charge for the year	432	1	89	-	522
Disposals	(23)	-	-	-	(23)
At 31 July 2022	6,874	108	2,135	-	9,117
<b>Carrying Amount At 31 July 2022</b>	<b>13,093</b>	<b>10</b>	<b>697</b>	<b>903</b>	<b>14,703</b>
Carrying Amount At 31 July 2021	12,833	11	274	380	13,498

Land and buildings include land valued at £2,500,000 (2020: £2,500,000) on 1 August 2014 (the transition date for FRS 102) this is not depreciated. This was included at deemed cost. The valuation was performed by CBRE Limited, an independent valuer, on a fair value basis.

If inherited land and buildings had not been re-valued they would have been included at the following historical cost amounts:

	£'000
Cost	nil
Aggregate depreciation based on cost	nil
<b>Carrying Amount Based On Cost</b>	<b>nil</b>

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13. Debtors

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Amounts falling due within one year:			
Trade debtors	298	298	211
Other debtors	634	634	60
Prepayments and accrued income	160	160	169
<b>Total</b>	<b>1,092</b>	<b>1,092</b>	<b>440</b>

Trade debtors are inclusive of impairment losses of £23,550 (2021 - £14,275). This consists of specific provisions in respect of trade debtors due from customers.

### 14. Creditors: Amounts Falling Due Within One Year:

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Bank loans and overdrafts	225	225	216
Payments received in advance	461	461	473
Trade creditors	247	247	340
Other taxation and social security	97	97	97
Other creditors	434	434	410
Accruals and deferred income	1,176	1,170	565
Government capital grants	127	127	110
Amounts due to the ESFA	193	193	141
<b>Total</b>	<b>2,960</b>	<b>2,954</b>	<b>2,352</b>

### 15. Creditors Amounts Falling Due After More Than One Year:

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Bank loans	1,821	1,821	2,049
Government capital grants	4,803	4,803	3,854
<b>Total</b>	<b>6,624</b>	<b>6,624</b>	<b>5,903</b>

#### Bank Loans

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Bank loans are repayable as follows:			
In one year or less	225	225	216
Between one and two years	1,264	1,264	225
Between two and five years	481	481	1,574
In five years or more	76	76	250
<b>Total</b>	<b>2,046</b>	<b>2,046</b>	<b>2,265</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15. Creditors Amounts Falling Due After More Than One Year: (Continued)**

The College has a loan with Lloyds Banking Group set up in August 2012 repayable by quarterly instalments of £43,662 commencing August 2012 and finishing in November 2027, at a fixed interest rate of 4.07% on the reducing balance. This borrowing is secured by a first legal charge in the banks standard form over the property dated 24 November 2014.

In addition the college has 2 loans with Barclays Bank both of which become fully payable July 2024 amortised over 15 years.

These loans are split between £0.90M of fixed interest borrowing at 3.21% and a further £0.3M variable at 2.25% above base rate of the Bank of England. On both loans interest is payable monthly. This borrowing is secured by a second legal charge under an inter creditor agreement dated 29 July 2019.

**16. Provisions for Liabilities**

	Enhanced Pension Group £'000	College £'000
At 1 August 2021	4	5
Expenditure in the period	-	-
	<u>4</u>	<u>5</u>
<b>At 31 July 2022</b>		

The enhanced pension provision relates to the cost of staff who have already left the College's employment. This provision has been recalculated in accordance with guidance issued by the funding bodies.

	Group 2022	College 2022	College 2021
Price Inflation	2.9%	2.9%	1.3%
Discount Rate	3.3%	3.3%	2.2%



# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 17. Notes To Statement of Cash Flows

	Group 2022 £'000	Group 2021 £'000
<b>Surplus/(Deficit) After Tax For The Year</b>		
Adjustment for:	299	585
Depreciation	522	492
Loss on disposal of fixed assets	18	26
Interest payable	74	84
Pensions costs less contributions payable	370	299
Operating cash flow before movements in working capital	1,283	1,486
(Increase) in debtors	(652)	(8)
Increase/(Decrease) in creditors	1,546	858
<b>Cash Generated From Operations</b>	<b>2,177</b>	<b>2,336</b>

### 18. Analysis of changes in net debt

	At start of year		Cash Flow		Other non cash changes		At end of year	
	Group	College	Group	College	Group	College	Group	College
Cash	2,920	2,920	140	140	-	-	3060	3060
Loans falling due in 1 year	(216)	(216)	219	219	(228)	(228)	(225)	(225)
Loans falling due after 1 year	(2,049)	(2,049)			228	228	(1,821)	(1,821)
<b>Total</b>	<b>655</b>	<b>655</b>	<b>359</b>	<b>359</b>	<b>-</b>	<b>-</b>	<b>1,014</b>	<b>1,014</b>

### 19. Capital and Other Commitments

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Commitments contracted for at 31 July	3,816	3,816	400

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****20. Financial Commitments**

The College had total future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>	<b>College 2021 £'000</b>
Payments due:			
Not later than one year	29	29	42
Later than one year and not later than five years	15	15	44
Later than five years	-	-	-
<b>Total Lease Payments Due</b>	<b>44</b>	<b>44</b>	<b>86</b>

In addition in note 9 the operating lease spend was £34,000.

**21. Related Party Transactions**

Key management compensation disclosure is given in note 8.

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

During the year the group employed staff closely connected to governors. In each case the staff were remunerated at a commensurate rate.

**22. Retirement Benefits**

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pensions Scheme England and Wales (TPS) for academic and related staff; and the East Riding Pension Fund (ERPF) for non-teaching staff which is managed by East Riding of Yorkshire Council. Both are multi-employer defined-benefit plans.

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 22. Retirement Benefits (Continued)

#### Total Pension Cost For The Year

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Teachers' Pension Scheme contributions paid	634	634	421
Nest Pension scheme contributions paid	15	15	
East Riding Pension Fund:			
Contributions paid – normal	238	238	453
FRS 102 (28) charge	301	292	281
Charge to Statement of Comprehensive Income	539	530	734
<b>Total Pension Cost For The Year</b>	<b>1,188</b>	<b>1,180</b>	<b>1,155</b>
<b>Within Staff Costs</b>			

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.

Contributions amounting to £22,225 (2020-21: £29,096) were payable to the ERPF scheme at 31<sup>st</sup> July and are included in creditors.

Contributions amounting to £70,014 (2020-21: £70,013) were payable to the TPS scheme at 31<sup>st</sup> July and are included in creditors.

#### Teachers' Pension Scheme

##### FRS 102 (28)

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.

#### East Riding Pension Fund

The ERPF is a funded defined benefit scheme, with the assets held in separate funds administered by the local authority. The total contribution made for the year ended 31 July 2022 was £300,719 of which employers' contributions totalled £238,825 and employees' contributions totalled £61,894. The agreed contribution

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****22. Retirement Benefits (Continued)****East Riding Pension Fund (Continued)**

rates for future years are 23.8% for employers and range from 5.5% to 12.5% for employees.

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, (GMP). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

Pension Increase orders are used to set the level of pension increases with effect from 1 April of each year, normally with reference to the change in CPI inflation over the 12 months of the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 July 2022. As Pension Increase orders are not automatically set with reference to the September CPI and they are only known with certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2022 by Hymans Robertsons LLP.

	At 31 July 2022		At 31 July 2021
	Group	College	College
Rate of increase in salaries	2.8%	2.8%	2.4%
Future pension increases	2.7%	2.7%	2.6%
Discount rate	3.5%	3.5%	1.7%
Inflation assumption (CPI)	2.7%	2.7%	2.6%
Commutation of pensions to lump sums:			
Pre April 2008 service	60%	60%	60%
Post April 2008 service	80%	80%	80%

The salary increase assumption for 31 July 2022 is 5% per annum until 31 July 2023, 2% per annum from 31 July 2023 to 31 July 2024 reverting to the long-term assumptions shown thereafter.

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 22. Retirement Benefits (Continued)

#### Principal Actuarial Assumptions (Continued)

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	At 31 July 2022		At 31 July 2021
	Group	College	College
Retiring today:			
Males	20.8 Years	20.8 Years	21.0 Years
Females	23.5 Years	23.5 Years	23.7 Years
Retiring in 20 years:			
Males	22.0 Years	22.0 Years	22.2 Years
Females	25.3 Years	25.3 Years	25.5 Years
Retiring today:			

The College's share of the assets in the plan at the balance sheet date were as follows:

	Fair Value at 31 July 2022		Fair Value at 31 July 2021
	Group £'000	College £'000	College £'000
Equity instruments	10,175	9,940	9,222
Debt instruments	2,230	2,179	2,577
Property	1,394	1,362	1,492
Cash	139	136	271
<b>Total Fair Value Of Plan Assets</b>	<b>13,938</b>	<b>13,617</b>	<b>13,562</b>
<b>Actual Return On Plan Assets</b>	<b>228</b>	<b>244</b>	<b>1,915</b>

The Amount Included In The Balance Sheet In Respect Of The Defined Benefit Pension Plan Is As Follows:

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Fair value of plan assets	13,938	13,617	13,562
Present value of plan liabilities	(12,450)	(12,083)	(17,394)
Net pension asset/(Liability)	1,488	1,534	(3,832)
Less notional surplus not recognised	(1,534)	(1,534)	-
<b>Net Pensions Liability</b>	<b>(46)</b>	<b>0</b>	<b>(3,832)</b>

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the [College] will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**22. Retirement Benefits (continued)**

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

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
Current service cost	(540)	(521)	(525)
Past service costs including curtailments	-	-	-
Net interest on defined benefit pension liability	(69)	(68)	(55)
<b>Total</b>	<b>(609)</b>	<b>(589)</b>	<b>(580)</b>

Re-measurement of net defined benefit pension liability	4,202	4,192	29
<b>Amount Recognised In Other Comprehensive Income</b>	<b>4,202</b>	<b>4,192</b>	<b>29</b>

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
<b>Changes In The Present Value Of Defined Benefit Obligations</b>			
<b>Defined Benefit Obligations At Start Of Period</b>	17,852	17,394	14,888
Current service cost	540	521	525
Past service costs including curtailments	-	-	-
Interest cost	304	299	226
Contributions by scheme participants	62	60	72
Actuarial (gains)/losses	(6,100)	(5,980)	1,826
Changes in demographic assumptions	(59)	(62)	234
Other experience	72	72	(174)
Benefits paid	(221)	(221)	(203)
<b>Defined Benefit Obligations At End Of Period</b>	<b>12,450</b>	<b>12,083</b>	<b>17,394</b>

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 22. Retirement Benefits (continued)

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
<b>Changes On Fair Value Of Plan Asset</b>			
<b>Fair Value Of Plan At Start Of Period</b>	13,883	13,562	11,326
Interest income	235	231	171
Return on plan assets excluding net interest in the net defined benefit liability	(260)	(244)	1,915
Employer contributions	239	229	281
Contributions by scheme participants	62	60	72
Benefits paid	(221)	(221)	(203)
<b>Fair Value Of Plan Assets At End Of Period</b>	<u>13,938</u>	<u>13,617</u>	<u>13,562</u>

The College and its actuarial advisers have considered the impact of the McCloud case on these financial statements. As the College's long term salary increase assumption is the same as the College's assumption around CPI, the McCloud case has no impact on the College's LGPS liability.

### 23. Amounts Disbursed as Agent

	Group 2022 £'000	College 2022 £'000	College 2021 £'000
<b>Bursary Funds And Discretionary Bursary Awards</b>			
Funding body grants	282	282	254
Disbursed to students	(216)	(216)	(133)
Administration costs	(11)	(11)	(7)
Balance unspent at 31 July included in creditors	<u>55</u>	<u>55</u>	<u>114</u>

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



# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## APPENDIX A

### Corporation Attendance 2021/22

- The Corporation membership comprises 13 members (currently 1 vacancy)
- The Corporation has six committees that meet regularly – Audit, Search, Remuneration, Quality Assurance, International and Financial Monitoring
- Audit is comprised of 4 members
- Search is comprised of 3 members
- Remuneration is comprised of 3 members
- Quality Assurance is comprised of 4 members
- International is comprised of 2 members
- Financial Monitoring is comprised of 4 members
- Governors have set a target of 75% for individual governor attendance and per meeting.

The following details the members' attendance during 2021/22:

Key		
P = present	X = absent	Yellow shading – not a governor/member of committee at this time Green shading – not required at meeting

#### Corporation

Governor	19.10.21	16.11.21	01.12.21	07.12.21	09.02.22	21.03.22	19.05.22	13.07.22	24.08.22	% by gov	2020/21	2019/20	2018/19
J Aslam	P	P	X	P	P	X	P	P	X	67			
S Driver	P	P	P	P	X	P	P	P	P	89			
J Fitzgerald	P	P	P	P	P	P	P	P	P	100			
S Hotchin	P	X	P	X	P	P	P	P		75			
C Marriott					P	P	P	P		100			
A Moore	P	P	P	P	P	P	P	P	P	100			
A Pascoe	P	X	P	P	P	P	P	P	P	89			
P Raistrick	P	P	X	P	P	P	P	P	P	89			
L Riley	P	P	X	P	P	P	P	P	P	89			
N Salter					P	P	P	X	X	60			
P Townsley	P	P	P	P	P	X	P	P	P	89			
J Watkinson	P	X	P	X	P	P	P	P	P	78			
% by meeting	100	70	70	80	92	83	100	92	80	85%	89%	91%	79%

#### Audit

Governor	14.09.21	16.11.21 (inc above - joint mtg)	22.02.22	07.06.22	% by governor
J Aslam	P		P	P	100
J Fitzgerald	P		P	P	100
A Moore	P		P	P	100
N Salter			P	P	100
% by meeting	100		100	100	100%

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## Search

Governor	06.10.21	17.11.21	01.02.22	25.05.22	% by governor
S Hotchin	P	P	X	P	75
A Moore	P	P	P	P	100
J Watkinson	P	P	X	P	75
% by meeting	100	100	33	100	83%

## Remuneration

Governor	15.03.22	23.03.22	% by governor
S Driver	P	P	100
A Pascoe	P	P	100
P Raistrick	P	P	100
% by meeting	100	100	100%

## Quality Assurance

Governor	06.10.21	26.01.22	11.05.22	% by governor
J Fitzgerald	P	P	P	100
A Pascoe	X	X	P	33
P Raistrick	P	P	P	100
P Townsley	P	P	P	100
% by meeting	75	75	100	83 %

## International

Governor	12.10.21	14.03.22	27.05.22	% by governor
A Pascoe	P	P	P	100
L Riley	P	P	P	100
% by meeting	100	100	100	100 %

## Financial Monitoring

Governor	10.11.21	09.03.22	18.05.22	08.06.22	% by governor
A Douglas	P	P	P	P	100
S Driver	P	X	P	X	50
A Pascoe	P	P	P	P	100
P Townsley	P	P	P	P	100
% by meeting	100	75	100	75	87.5%

## Attendance Total

$\frac{\text{Total number of actual attendances (Corporation \& Committee)}}{\text{Total number of possible attendances (Corporation \& Committees)}} \times 100 = \text{overall rate (\%)}$   
 $\frac{133}{151} \times 100 = 88.07\%$  (89.37% in 20/21, 92.55% in 19/20, in 83.53% 18/19)

## National Benchmarking Data (National Clerks network group)

Results for 2021 - 2022 (102 colleges' statistics included in total)  
 Average overall attendance rate – 82.49%  
 Range – 63% - 96.5%

Results for 2020 - 2021 (99 colleges' statistics included in total)  
 Average overall attendance rate – 87.79%  
 Range – 73% - 96%

Results for 2019 - 2020 (82 colleges' statistics included in total)  
 Average overall attendance rate – 83.77%  
 Range – 63% - 96%

## **John Leggott College**

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### **ACTIVITIES TO DEVELOP GOVERNORS & CLERK/GOVERNANCE PROFESSIONAL DURING 2021/22**

#### **September 2021 – Safeguarding - KCSiE Part 1 – Emily Watkinson**

Becky Robinson (Clerk)

#### **September 2021 – Audit Assurance/Risk Management – RSM/Stone King/AoC**

Junaid Aslam

Ann Moore

Becky Robinson (Clerk)

#### **September 2021 - Annual Certificate in Understanding Sexual Harassment and Sexual Violence for DSLs & Deputy DSLs – National College**

Paul Townsley

#### **October 2021 – SFCA Webinar – Sector Update**

Becky Robinson (Clerk)

#### **October 2021 – KCSiE – Emily Watkinson - virtual**

Becky Robinson (Clerk)

#### **October 2021 – Prevent – Emily Watkinson - virtual**

Becky Robinson (Clerk)

#### **November 2021 – Safeguarding – Emily Watkinson – JLC**

Ann Moore

Sylvia Hotchin

#### **January 2022 – Smartlog Online Training - DSE, H&S, E&D**

Becky Robinson (Clerk)

#### **January 2022 – Annual Clerks Conference SFCA**

Becky Robinson (Clerk)

#### **February 2022- E&D Webinar SFCA**

Becky Robinson (Clerk)

#### **March 2022 – New Governor Induction – ETF/AoC**

Nuala Salter

#### **March 2022 – New Student Governor Induction – ETF/AoC**

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

Callum Marriott

**April 2022 – Cyber Crime – Risk- Gallagher/Lloyds**

Becky Robinson (Clerk)

**May 2022 – Smartlog Online Training Fire Safety Awareness & GDPR Training**

Becky Robinson (Clerk)

**June 22 – SFCA/Eversheds GDPR Webinar**

Becky Robinson (Clerk)

**June 22 – AoC Governance Professionals Regional Network Meeting**

Becky Robinson (Clerk)

## REGISTER OF GOVERNOR LEARNING WALKS/TRIANGULATION OF EVIDENCE ACTIVITY 2021/22

Event	Date	Time	Venue	Governors attended
Safeguarding Learning Walk	27 Sept 21	10:00am Team meeting 11:00am DSL	JLC	Ann Moore Sylvia Hotchin
Safeguarding Learning Walk/Training	10 Nov 21	10am – 11am	JLC	Ann Moore Sylvia Hotchin
Safeguarding & SCR	18 Jan 22	2:30pm	Zoom	Ann Moore
QAC Learning Walk ASDB	26 Jan 22	10:30am – 3:00pm	JLC	John Fitzgerald
QAC Learning Walk ASDB	23 Feb 22	10:30am – 3:00pm	JLC	Paul Raistrick
Careers Team meeting	5 May 22		JLC	Ann Moore
Learner Pathways Team Meeting	23 May 22	12noon	JLC	Ann Moore
QAC Learning Walks	21 June 22	9:00am – 1:00pm	JLC	Paul Raistrick
Data Dashboard Consultation	29 June 22	3:30pm	JLC	John Fitzgerald
Safeguarding – drop in to team meeting & meet with CH	4 July 22	9:30am & 11:00am	JLC	Ann Moore Sylvia Hotchin

# John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

## REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

**To: The corporation of John Leggott College and Secretary of State for Education acting through Education and Skills Funding Agency ("ESFA")**

In accordance with the terms of our engagement letter signed on 6<sup>th</sup> October 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by John Leggott College 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 data returns, for which the ESFA has other assurance arrangements in place.

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

### **Respective responsibilities of John Leggott College and the reporting accountant**

The corporation of John Leggott College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that 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



## John Leggott College

REPORT OF GOVERNING BODY AND FINANCIAL STATEMENTS for the year ended 31 July 2022

### REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY (CONTINUED)

reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the ESFA/funding agreement with the ESFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.

#### 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 that govern them.

Signed:

  
David Hoose (Dec 8, 2022 09:30 GMT)

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