

WYKE SIXTH FORM COLLEGE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

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 2020/21:

P J Britton	Principal; Accounting Officer
P J Peaks	Deputy Principal
J A Davies	Vice Principal
C Herring	Vice Principal
M S Lucid	Assistant Principal
M A Wilmot	Director of Finance
J Anderson	HR Manager

Board of Governors

A full list of Governors is given on pages 12 and 13 of these financial statements.

F Bagchi acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

RSM UK Audit LLP
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

Internal auditors

Audit One
Tranfield Lea Business Centre
Tranfield Lea
Stanley
Durham, DH9 9DB

Bankers

Barclays Bank plc
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

Lloyds Banking Group plc
2nd Floor
14 Church Street
Sheffield
South Yorkshire
S1 1HP

Solicitors

Eversheds LLP
Eversheds House
70 Great Bridgewater Street
Manchester, M1 5ES

Wyke Sixth Form College

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Wyke Sixth Form College

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REPORT OF THE GOVERNING BODY

Nature, Objectives and Strategies

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

Legal status

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

The College was incorporated as Wyke Sixth Form College.

Background of the College

Wyke Sixth Form College was established in 1988. The growth of the College has been significant to the extent that it now recruits around 50% of its students from the East Riding of Yorkshire, North Yorkshire and North Lincolnshire. Some students travel up to 30 miles to attend Wyke.

Wyke is on the western edge of the historic city of Hull and is close to both the rural and coastal parts of the East Riding of Yorkshire. However, the College still draws strongly from deprived areas of Hull, so that the student body represents a good cross section of the community.

The College is a principal partner of the University of Hull.

Mission

The College's mission as approved by its members is:

"Inspire and support all students to achieve exceptional success".

With the continuing impact of the COVID-19 pandemic and the temporary closures of the College due to either College or Government imposed "Lockdowns" delivering on this mission presented a greater challenge for both staff and students. Throughout any period of closure, the College continued to provide high quality teaching and learning albeit remotely using technology available. Considerable support was provided to students in respect of their learning, pastoral support and for those relevant students, financial support in terms of bursary and free meal payments. The College took every step possible to ensure all students could access the remote learning material and thus continue to engage in their studies.

Public Benefit

Wyke Sixth Form College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education for Sixth Form Colleges. The members of the Governing Body, who are trustees of the Charity, are disclosed on pages 10-11.

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

Wyke Sixth Form College

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REPORT OF THE GOVERNING BODY (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 by providing employability skills
- Strong student support systems
- Links with Higher Education, employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPs)

For the benefit of the local community, the College:

- Hosts apprenticeships and provides work experience
- Provides employment for the local community
- Holds theatre and music productions which the local community can attend
- Hires out the College facilities for the use of local community clubs and societies

The delivery of public benefit is covered throughout the Report of the Governing Body.

Implementation of strategic plan

The College has developed a Strategic Plan with the aim to embody the characteristics of an Outstanding College. The College is to be an exceptional provider of academic education for those who aspire to progress into professional occupations. Specialists in education and experiences for 16-19 year olds from Hull and the Humber region. We inspire students to make more progress than they thought themselves capable of in an environment of supported independence.

The values that underpin the aims of the College are:

- Pride
- Academic excellence
- Thriving in a caring community
- Ready for the world

The Corporation monitors the performance of the College against the strategic priorities set out in the plan, which are:

- The best outcomes for students, driven by teaching, learning and pastoral excellence
- The Wyke experience
- The People to make this happen
- Healthy and safe
- Resourced sustainably
- Effective systems and processes
- External relationships that make a difference

Financial objectives

The College wishes to remain financially sound so as to:

- Generate sufficient income to enable continued maintenance and improvement of all teaching and support facilities
- Protect itself from unforeseen adverse changes in student enrolment
- Maintain the confidence of the Education and Skills Funding Agency, bankers, auditors and external suppliers

Throughout the first two terms, in order to protect both staff and students and facilitate social distancing where possible, the College operated a 50:50 model whereby only one year group was on site at any one time. Operating this model had a financial impact in terms of lost catering income and an increase in transport costs due to reduced ticket sales. These two factors were the key contributors to the below budget outcome for the year.

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REPORT OF THE GOVERNING BODY (CONTINUED)

Performance indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website, which looks at measures such as success rates. The College is required to complete the annual College Financial Forecasting Return for the Education and Skills Funding Agency ("ESFA"). The College Financial Forecasting Return generates numerous ratios covering liquidity, cash generation, gearing, margin, income, expenditure and staff costs. The overall financial health grading of the College for 2020/21 is based on the following measures:

Ratio	Budgetary targets	Actual for 2020/21
Adjusted current ratio	1.84%	1.50%
EBITDA as a % of income – education specific	11.90%	9.00%
Borrowing as a % of income	26.85%	26.84%

Based on the above ratios the College's calculated financial health rating for 2020/21 is Good and the college expects at least the same rating for 2021/22.

As mentioned above, because of the continuing impact of COVID-19 and the operation of a 50:50 model in the first two terms, the financial results were significantly affected by the loss of catering income and increased transport costs. This financial impact is reflected behind the above ratios.

The College also uses a number of additional internal key performance indicators to track its financial performance; these are shown in the following table:

Key performance indicator	Budgetary targets	Actual for 2020/21
ESFA income as a % of total income	91.80%	96.79%
Pay expenditure (excluding restructuring costs) as a % of income (excluding capital grants)	66.11%	68.73%
Operating margin as a % of income	4.67%	4.95%
Cash days in hand	38.40	50.18
Borrowing as a % of net assets (excluding pension liability and capital grants)	18.08%	18.14%

In terms of performance, the College again showed a positive value added score. Pass rates for A level courses continue to be above the national average at 99.9%.

The College assesses itself against national benchmarking data on pass rate, retention, achievement and value-added, however, due to the cancellation of examinations by the DfE no published performance data will be available for the 20/21 cohort.

Financial Position

Financial results

The College has declared an operating surplus of £246,000 (2019/20 surplus £34,000) after charging depreciation of £709,000 (2019/20: £746,000).

The College has accumulated income and expenditure reserves of £940,000 as at 31 July 2021 (2020: £739,000). Capital expenditure during the year was £420,000 (2019/20: £139,000). The main elements of capital expenditure were on computer equipment and fixtures and fittings.

The Corporation values the staff of the College. As a result, the Corporation are pleased to be able to financially reward all their staff at the highest possible salary level within the constraints imposed by the ESFA level of funding and the nationally negotiated settlements.

REPORT OF THE GOVERNING BODY (CONTINUED)

Wyke Sixth Form College

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Financial results (continued)

The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2020/21, the ESFA provided 96.79 % of the College's total income.

With regard to the financial impact of COVID-19, this had a negative effect on underlying performance although this was in part compensated for by examining boards' rebates.

In terms of income, the College's core funding stream was unaffected. With the temporary closures of the College, due to lockdown and the delivery model adopted, other income was below expectations due to reduced activity levels in the College's catering operations and the subsequent loss of contribution in this area. The College was also closed for external lettings for a large part of the year although this loss of income was minimal.

As regards costs, one of the main areas impacted was transport. Again, the 50:50 delivery model adopted reduced ticket sales income in the first two terms, which are netted off the contract costs. Through negotiations with the local bus company agreement was reached to reduce the contract payments to a level that effectively compensated for the loss of ticket sale income during lockdown periods.

The College did furlough certain catering staff and minibuss drivers during the lockdown period in early 2021, which reduced the impact of the above to a certain extent.

Treasury policies and objectives

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

The College has a separate treasury management policy in place. Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation.

With the introduction of the Education Act 2011, the College now has increased freedom in terms of borrowings and will no longer have to obtain the consent of the relevant body. However, any decisions to undertake future borrowings would only be taken after proper consultation by Senior Management within the College and with the prior approval of the College Corporation.

Cash flows and liquidity

The College's cash position as at 31 July 2021 was £1,365,000 (2020: £820,000). The College generated cash from operations of £1,381,000 in 2020/21 (2019/20 £594,000) and aims to keep cash reserves sufficient to cover the pay costs and non-pay costs for at least the next month.

The size of the College's total borrowing and its approach to interest rates have been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year, this margin was comfortably exceeded.

The College did not require any additional financial support due to the impact of COVID-19, either from the EFSA or the College's bankers.

Reserves policy

The College recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College maintains cash reserves to cover the pay and non-pay costs for at least the next month. As at the balance sheet date the Income and Expenditure reserve stands at £940,000 (2020: £739,000). In line with the strategic plan, the reserve is forecast to increase by £604,000 in 2021/22.

Wyke Sixth Form College

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REPORT OF THE GOVERNING BODY (CONTINUED)

Current and Future Development and Performance

Student numbers and achievements

The College is funded according to the level of activity generated each year. In 2020/21, the College achieved Learner Numbers of 2,209 against a target of 2,150 (16-19 learners). Despite the uncertainty created by the continuing pandemic based on enrolment activity levels it is anticipated that learner numbers will reach the target level 2,150 for 2021/22.

The College matches the performance of many of the top performing sixth form colleges. In relation to value added measurements, the College is in the top 10% of colleges using the ALPS performance measure.

The College offers additional support to mainstream students with sensory impairment, dyslexia, physical, psychological and other specific learning needs.

Events after the end of the reporting period

No significant post-balance sheet events.

Future prospects

The College has an excellent local reputation and has shown a strong pattern of managed growth. It is established as a college of approximately 2,150 full time students with a curriculum that suits the needs of students, the local community and national aims. Achievement rates, value added and progression data are all excellent and the college remains the 'preferred choice' for students. Careful analysis of demographics within our travel to learn area shows growth for the next five years, followed by a small decline. Therefore, the College is well placed to maintain, if not grow from its current size and expects to offer a very similar curriculum over this period.

Resources

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

Tangible resources include the main College site.

Financial

The College has £3.94m of net assets, (excluding £1.57m pension liability) and reported long-term debt of £2.89m.

Cash

The College has cash resources of £1,365k.

People

The College employs 207 people (expressed as full time equivalents 161), of whom 104 (94 FTE) are teaching staff.

Reputation and student numbers

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. This good reputation is reflected by the number of students attending the college, which for 2021/22 is approximately 2,150 students.

Wyke Sixth Form College

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REPORT OF THE GOVERNING BODY (CONTINUED)

Principal risks and uncertainties

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

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

Individual Risk Registers for eight strategic risk areas have been compiled by members of the Senior Leadership Team. The risk registers identify the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system based on likelihood and consequence. The highest scoring risks are escalated to the strategic risk register, which is presented to each meeting of the Audit Committee; the full risk register is presented annually to the Audit Committee.

The eight strategic risk areas are:

- Results – maintaining the quality of outcomes
- Student experience – well being
- Staffing – engagement, performance & recruitment
- Recruitment – students
- Financial viability
- Infrastructure
- External factors, such as funding

Governance & leadership

Not all the factors are within the College's control and other factors may adversely affect the College. Outlined below is a description of the principal risks and uncertainties:

1. Student Recruitment and Tuition Fees

The College is reliant on its 16-18 student numbers as its main source of revenue. It continues to seek innovative ways of marketing to compete with increased competition from schools in the East Riding that have their own sixth forms and other Colleges locally who are now seeking to sustain their own provision. In recent years, Wyke has rapidly grown because of excellent academic results and the complete redevelopment of the College and its facilities. The areas from which students are recruited continue to expand and the transport provided has grown to service this demand. The success of the College combined with effective marketing tactics, means that recruitment continues to be healthy. Enrolment in September 2021 was at a level that indicates that student numbers at the 2021 census date will be at the College's capacity. The College will continue to seek ways to maintain its 16-19 student numbers in order to minimise the impact any changes in funding will have on its recurrent income.

In line with the majority of other colleges, Wyke College increased its tuition fees in accordance with the rising fee assumptions. This had only a small impact on the College, as the majority of its students qualify for fee remission and are fully funded by the ESFA.

2. Infrastructure & Delivery of the College Accommodation Strategy

As the College reaches capacity in terms of student numbers, consideration continues to be given to expansion of the site in terms of classroom space and refectory and library areas in order to provide more teaching, recreational and study space for students. In October 2021, the College was informed that it had been successful in its bid to secure, by way of the Post-16 Capacity Fund, a grant of £3.6m to support the funding of a building expansion project. The grant receivable represents 97% of the total cost of the project with the College contribution being £100k (3%) of which £58k had already been spent by 31 July 2021. Once the expansion project is complete it will enable the College to increase student numbers going forward.

Wyke Sixth Form College

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REPORT OF THE GOVERNING BODY (CONTINUED)

Principal risks and uncertainties (continued)

The Capital Plan is developed annually by the Senior Leadership Team scrutinising bids from budget holders across the College. This ensures that the infrastructure, including the IT replacement programme, is maintained at an appropriate level.

3. External factors & Government funding

The College is aware of several issues, which may affect future funding, including the removal of funding for BTEC qualifications. The College, in conjunction with its key stakeholders, is developing a strategy to address such issues, starting with the introduction of T-Level courses.

The College has considerable reliance on continued government funding through the further education sector funding body. In 2020/21, 97% 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.

Uncertainties exist in the future valuation of the Local Government Pension Fund in terms of the actuary's assumptions regarding investment returns, pay growth, pension increases, life expectancy etc.

The risks are mitigated in a number of ways:

- 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 and continuing regular dialogue
- Building income and expenditure reserves

With regard to external factors, clearly the impact of COVID-19 has been a significant risk factor both during the year under review and going forward. At all times the College has followed Government guidance in terms of managing the risk posed. Throughout this period substantial work has been undertaken to manage the risks posed in terms of ensuring both students and staff were safe. This work included detailed risk assessments at site, department, area and individual levels. To support this a COVID-19 working group was established by the Corporation, which included both staff and Corporation members with relevant Health & Safety experience. One of the key mitigating actions to help ensure staff and students were safe on site was the operation of the 50:50 delivery model for part of the year. As stated previously the overall financial impact of COVID-19 has not materially affected the results for the year. Provision has been made in the 2021/22 budgets to allow for any ongoing costs.

4. Failure to maintain the financial viability of the College

The College's current financial health grade is classified as Good and the college expects at least the same rating for 2021/22. This is largely the consequence of an improved level of operating surplus. The potential to achieve a Good rating is significantly impacted by the levels of borrowings which have funded investment to enable student growth over recent years. The continuing challenge to the College's financial position remains the need to meet its financial obligations within the constraint on further education funding whilst maintaining the student experience via continued investment. This risk is mitigated in a number of ways:

- rigorous budget setting procedures and sensitivity analysis;
- regular in year budget monitoring;
- robust financial controls;
- exploring ongoing procurement efficiencies.

5. Failure to maintain the financial viability of the College

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

REPORT OF THE GOVERNING BODY (CONTINUED)

Wyke Sixth Form College

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Stakeholder Relationships

In line with other colleges and with universities, Wyke Sixth Form College has many stakeholders. These include:

- Students;
- Education Sector Funding Body;
- Further Education Commissioner;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Government Offices/ Regional Development Agencies/LEP's;
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies.

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

The College continues to be active within Hull in supporting local partner schools.

Staff and student involvement

The College considers good communications with both staff and students a vital component in the ethos of the College. This is achieved by various methods:

- the majority of staff have a daily briefing and a weekly Newsletter is circulated to all staff;
- information about events appears daily on the video wall and on the plasma screens throughout the College;
- the students are well represented by their own student body which is supported by the College;
- both staff and students are encouraged to be involved in working groups and committees;
- there are two staff members and two student representatives on the Corporation.

Equality and Diversity

- The College celebrates and values the diversity brought to its community by individuals and is committed to the principle of equality of opportunity in relation to all potential and actual students and staff. It has developed an Equality and Diversity Policy and associated action plan which is reviewed regularly by the Personnel Committee of Corporation. This policy covers all nine characteristics protected under the Equality Act 2010. Data collection exercises are undertaken to better understand the staffing profile. This information feeds in to the equality action plan and inform other personnel activities.
- The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief, marital status, pregnancy or maternity status, transgenderism or age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equality and Diversity Policy is published on the College's Intranet site.
- The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including its' Public Sector Duty under the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

Wyke Sixth Form College

FINANCIAL STATEMENTS

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REPORT OF THE GOVERNING BODY (CONTINUED)

Equality and Diversity (continued)

The College is a "Disability Confident" employer and has committed to the principles and objectives of the standard. The College considers all employment applications from disabled persons, bearing in mind the aptitude of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post.

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

The College has a fully developed and closely monitored procedure for equality of opportunity in staff recruitment. Continuing to improve diversity throughout the College is an ongoing consideration. Balanced and mixed fields of candidates have been interviewed for posts advertised this year and the College remains committed to appointing the best candidate for a post.

Employment of disabled persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the persons concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

Compliance with Disability Legislation

The College is committed to the spirit and the letter of the Equality Act 2010. Wyke Sixth Form College is well known for the quality of the provision it makes for students with disabilities. In particular:

- All fire alarm sounders are fitted with visual as well as audible indicators.
- The College employs an expanded team of learning support assistants, to meet a wide range of learners' needs, as well as providing specialist help with note-taking and signing.
- Training in Equality and Diversity has been given to all staff, and now forms part of the standard induction programme for new employees.
- Specific training to promote awareness of relevant disabilities has been undertaken for staff in significant contact with particular learners.
- Liaison with partner special and secondary schools is aimed at providing continuity of support for learners at the age of 16, so that support needs are explored as fully as possible before the young person enrolls.

Links with support agencies outside the College are maintained and developed.

The monitoring of key indicators in the student population has continued, and no significant performance gaps in relation to disability or race have been identified.

The College is a provider of 16-19 education and, in 2020/21, 99.8 % of students were recorded as being in this age group at the College census date, which is 6 weeks from the start of a student's course. 60.5% of students were recorded as female and 39.5% were recorded as male. Ways to increase the proportion of male students continue to be considered by the College's leadership team. 9.7% of the student population were recorded as being from a Black, Asian or Minority Ethnic (BAME) group. This is lower than the 2011 census data for Hull, where 10.86 % of the population were recorded as being from a BAME group. The equivalent figure for the East Riding of Yorkshire (also a major catchment area for the College) was 6.97%.

Key performance measures of retention and achievement are analysed by gender, age and ethnicity. In house systems of monitoring value added allows for focussed intervention with learners. Monitoring by specialist progress tutors promotes the setting of targets and the provision of support where needed in order for students to achieve their goals. Overall value added outcomes are positive.

The College now also monitors students by disability.

Wyke Sixth Form College

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REPORT OF THE GOVERNING BODY (CONTINUED)

28.0% of students were recorded as having some form of disability or learning difficulty at the start of 2020/21. The College website is accessible to disabled students. The redevelopment of the College has improved access and facilities for disabled students.

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.

Relevant union official

Union Officials during the period	FTE employee number
3	3

Record of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	3
51-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£495
Total pay bill	£5,514,000
Percentage of total bill spent on facility time	0.00009%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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Wyke Sixth Form College

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REPORT OF THE GOVERNING BODY (CONTINUED)

Going Concern

The College has made a surplus of £246,000 (after charging £288,000 in respect of FRS102 pension scheme adjustments) in 2020/21 against a forecast surplus of £531,000 and has budgeted for a surplus of £604,000 in 2021/22.

A 24-month rolling cash flow forecast is produced each month and this shows a healthy cash position when projected forward as far as August 2022. It has not been necessary for the College to call upon bank support for working capital purposes in 2020/21 and it is unlikely to be needed in 2021/22 based on a forecast surplus and cash positions.

Student numbers in 2020/21 are expected to show a managed decrease to around 2,150 for which the College has adequate resources and therefore the projection of a surplus of £604,000 in 2020/21 is considered to be achievable.

Having due regard to best practice developments in the UK Corporate Governance Code 2016 in respect of going concern and risk management reporting, the Corporation considers that the College has adequate resources to continue in operational existence and meet its liabilities for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The College's cash position as at 31 July 2021 was £1,365,000 (2020: £820,000). The College generated cash from operations of £1,381,000 in 2020/21 (2019/20 £594,000) and aims to keep cash reserves sufficient to cover pay costs and non-pay costs for at least the next month.

A 24-month rolling cash flow forecast is produced each month and this shows a healthy cash position when projected forward as far as August 2022. It has not been necessary for the College to call upon bank support for working capital purposes in 2020/21 and it is unlikely to be needed in 2021/22 based on a forecast surplus and cash positions.

The College's response to mitigating the continuing risks of COVID-19 will have a limited financial impact in 2021/22. As part of the budget setting process provision was made to cover the anticipated additional costs to be incurred in ensuring the continued safety of staff and students.

Taking into account the financial position reported in these financial statements, the expected surplus and cashflow for 2021/22 and having due regard to best practice developments in the UK Corporate Governance Code 2016 in respect of going concern and risk management reporting the Corporation considers that the College has adequate resources to continue in operational existence and to meet its liabilities for the foreseeable future and at least for the next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

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

Approved by order of the Members of the Corporation on 14 December 2021 and signed on its behalf by:



J Wilson
Chairman

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- ii. having due regard to the UK Corporate Governance Code 2018 ("the Code") insofar as it is applicable to the sixth form college sector.

The College is committed to exhibiting best practice in all aspects of corporate governance. In the opinion of the Corporation members, the College complies with all the provisions of the Code in so far as they apply to the sixth form college sector, and it has complied throughout the year ended 31 July 2021, although see the reports on members' terms of office at pages 12, 13 and 15. This opinion is based on an internal review of compliance with the Code reported to the Audit Committee on 30 November 2021.

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. The College has not formally adopted the English Colleges' Code of Good Governance, although the Corporation's Audit Committee receives an annual summary report on the College's performance with reference to its 10 key governance principles.

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 members who served the Corporation during the year under review and up to the date of signing were as follows:

Name	Date of appointment	Term of office	Date of resignation/retirement	Status of appointment	Committees ¹ served	Corporation attendance 2020/21 ²
Anthonique Asamoah	1 October 2020	4 years	31 August 2021	Student		78% (7/9)
Amy Atkinson	29 April 2021	4 years	31 August 2021	Student		100% (4/4)
Paul Britton	20 August 2018	Ex officio		Principal of College	C&Q; F&GP; Personnel; Remuneration	100% (11/11)
Elizabeth Cagney	5 November 2020	4 years		Parent member		89% (8/9)
Patrick Cavanagh	22 May 2018	4 years		Corporation Member		100% (11/11)
John Compton	5 November 2020	4 years		Corporation Member	From Mar. 2021: Personnel (Vice-Chair)	89% (8/9)
Andi Dakin	5 November 2020	4 years		Corporation Member		56% (5/9)
Paul Davis Vice-Chair of Corporation (from 1 Sept. 2020)	13 December 2018	4 years		Corporation Member	F&GP; Remuneration; Search (from Sept. 2021);	82% (9/11)
Ruth Dónmez	13 December 2017. Re-appointed 1 September 2019	4 years	31 August 2019 28 August 2020	Parent Member Corporation Member	Personnel	0% (0/0)
Tony Douglass	12 December 2019	4 years	31 August 2021	Corporation Member	Audit (from Oct. 2020)	73% (8/11)
John Gilleard	15 May 2014 Re-appointed 22 May 2018	4 years		Corporation Member	Audit (Chair)	91% (10/11)

Wyke Sixth Form College
FINANCIAL STATEMENTS
for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
(CONTINUED)

The Corporation (continued)

Name	Date of appointment	Term of office	Date of resignation /retirement	Status of appointment	Committees ¹ served	Corporation attendance 2019/20
Jackie Goodman	15 December 2005 Reappointed 1 September 2007, 1 September 2011, 1 September 2015, 2 September 2019	4 years		Parent Member Co-opted Member Corporation Member	C&Q (Chair): Remuneration (Vice-Chair).	64 % (7/11)
Jeremy Hartley	9 July 2020	4 years		Corporation Member	F&GP	55% (6/11)
Aaliyah Johnson-Mudd	12 December 2019	4 years	31 August 2020	Student Member		0% (0/0)
Dr Dina Lewis	28 September 2016 Re-appointed 5 November 2020	4 years		Corporation Member	C&Q: Search, Remuneration.	89% (9/11)
Heather Lorch	5 November 2020	4 years		Staff Member		80% (8/10)
Mark Lucid	12 December 2018	4 years	31 August 2020	Staff Member		0% (0/0)
Morgan Mays	1 October 2021	4 years		Student Member		0% (0/0)
Mark Moore	7 March 2016 7 March 2020	4 years		Corporation Member	Audit (from Nov. 2020)	73% (8/11)
Jane Price	7 March. 2016 Reappointed 1 September 2017, 1 September 2021	4 years	31 August 2017	Parent Member Corporation Member	Audit (Vice-Chair): C&Q (Vice-Chair): Search (Vice-Chair)	91% (10/11)
Cai Revell	12 Dec. 2019	4 years	31 August 2020	Student Member		0% (0/0)
Tracey Rich-Pitman	1 Oct. 2020	4 years		Staff Member		91% (10/11)
Liz Rymer	5 November 2020	4 Years		Corporation Member	Audit (from Nov. 2020)	
Steve Sellers	19 May 2015. Re-appointed 21 May 2019	4 years	18 Dec. 2020	Corporation member	Personnel (Vice-Chair to Dec. 2020)	0% (3/3)
Autumn Stewart	1 October 2021	4 years	Student Member			0% (0/0)
Phil Taylor Vice-Chair of Corporation (to 31 Aug. 2020)	17 February 2011 Re-appointed 17 February 2015, 18 February 2019	4 years	31 July 2021	Corporation Member	Corporation (Vice-Chair to 31 Aug. 2020): F&GP (Vice-Chair): Personnel (Chair): Remuneration. (Chair): Search	91% (10/11)
John Wilson Chair of Corporation	30 September 1992 Reappointed 2 July 1996, 1 July 2000, 29 June 2004 & 30 June 2008, 30 June 2012, 1 July 2016 & 1 July 2020	4 years		Business Member Corporation Member	Corporation (Chair): F&GP (Chair): Search (Chair): C&Q: Remuneration	100% (11/11)
External co-opted members: Steve Sellers was appointed as an external co-opted member of the Personnel Committee on 9 February 2021.						
Fiona Bagchi acts as Clerk to the Corporation.						

¹Committee abbreviations: Audit = Audit Committee; C&Q = Curriculum & Quality Committee; F&GP = Finance & General Purposes Committee; Personnel = Personnel Committee; Remuneration = Remuneration Committee, Search = Search & Governance Committee.

² Corporation attendance is meetings attended divided by maximum possible meetings which could have been attended. Committee attendance is not shown.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

The Corporation (continued)

Since 3 October 2011 all Corporation members (other than the Principal, Staff, Parent and Student Members) have been appointed in the Corporation Member category.

Overall Corporation attendance during 2020/21 was 81% against an approved target of 75 %.

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

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Audit, Curriculum and Quality, Finance and General Purposes, Personnel, Remuneration, Search and Governance.

Full approved minutes of all meetings of the Corporation and its committees, except those of meetings or discussions deemed to be confidential by the Corporation, are available on the College website at: <http://www.wyke.ac.uk> Minutes can also be obtained from the Clerk to the Corporation at: Wyke Sixth Form College, Bricknell Avenue, Hull, HU5 4NT.

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

All Corporation members 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 Corporation members in a timely manner, prior to Corporation 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. Corporation members have sufficient knowledge of the College to enable them to discharge their duties effectively.

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

The Chair is responsible for the leadership of the Corporation and for ensuring its effectiveness.

During the COVID-19 pandemic, the Corporation and its committees have continued to meet using video-conferencing.

During the Covid-19 pandemic, the Corporation and its committees held meetings and fulfilled their duties remotely i.e. using video-conferencing.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee comprising of the Chair of the Corporation and four other Corporation members. The Committee is responsible for the selection and nomination of new members for the Corporation's consideration. The Search and Governance Committee is responsible for ensuring that appropriate induction and training is provided to new and existing Corporation members as required. Members of the Corporation are appointed for an initial term of office not exceeding four years. Reappointment of independent members for additional terms is subject to satisfactory performance and the possession of skill and expertise which remain relevant to the Corporation's needs.

The Corporation did not have an agreed maximum term of office during 2020/21, although appointment or re-appointment was for a maximum of 4 years in each case. The Search and Governance Committee keeps the composition of the Corporation, including length of office, under regular review and re-appointment is subject to the Corporation's re-appointment criteria, which includes having skills and expertise that remain useful to the Corporation. Of the 24 Corporation members who served during 2020/21 (i.e. excluding the Principal whose appointment to the Corporation is *ex officio*), 71% (17/24 members) had served for fewer than 4 years, 71% of whom (12/17 members) had served for periods of around one year or less. 17% (4/24 members) had served for periods between 4 and 7 years. 12% were longer serving members (3/24 members) who held senior Corporation or committee roles (please see the table above), of whom 33% (1/3 members) retired from the Corporation in 2021.

The Corporation agreed at its July 2021 meeting that from 2021/22, the maximum term of office for Corporation members should be 2 terms of 4 years unless a new and more senior role was undertaken.

Parent members are appointed to the Corporation following self-nomination, interview and recommendation by the Search & Nominations Committee. Staff Members of Corporation are elected by staff members. Student Members are appointed from the Student Association Executive. Corporation's appointment policy and information on Corporation vacancies are published on the College website.

Corporation's Policy and procedures for the appointment, re-appointment and replacement of members of Corporation states that Corporation will seek to maintain a range of skills within its membership, is committed to promoting equality and diversity and will seek to achieve and maintain a membership which is representative of the community it serves. The Corporation's responsibilities and commitments as set out under its approved Single Equality Scheme include "...monitoring that: The membership of the Corporation reflects the communities served by the College where possible. Women and men are given an equal opportunity to be members of the Corporation and in the event of significant under-representation of either women or men, the Corporation will consider what steps can properly be taken to address that under-representation". Corporation fulfils these responsibilities through its Search and Governance Committee which reviews, at each of its scheduled meetings, Corporation's skills audit, together with gender and ethnic representation on the Corporation.

The student equality & diversity report, considered at the July 2021 Corporation meeting, recorded that, in 2020/21. 60.5% of students were recorded as female and 39.5 % as male, 87.7 % described themselves as 'White British/Irish/Other', 9.7% of students were recorded as BAME (Black, Asian or Minority Ethnic), and 2.6% of students did not provide any information.

The 2020/21 staff profile presented to the April 2021 Corporation meeting stated that 60% of the College's employees were recorded as female and 40% as male, with 98% of the College's employees describing themselves as 'White British/Other White' and 2% as BAME. With regard to the College's Senior Leadership Team (SLT), the current gender balance is 50% male and 50% female. For the College Leadership Team, excluding SLT members, 71% of the team are male and 29% female.

The Corporation has a long term target of gender balance and a shorter term target of a gender balance no worse than the sector average i.e. 40%. The December 2018 Corporation meeting had noted that female representation on the Corporation had fallen and had approved, on the recommendation of the Search & Governance Committee, an increase in Corporation membership from 20 to 22 members, as permitted under the Instrument of Government, as part of succession planning, with any increase effective from the date of any additional appointments.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

The Corporation noted that temporarily increasing Corporation membership, together with co-option to committees, had previously enabled the Corporations to increase female membership.

The Search & Governance Committee meeting noted at its June 2021 meeting that the complement of Corporation members recorded as female in 2020/21 had varied between 21% and 45%, with the corresponding percentages for November 2021 being 45% recorded as female and 55% as male i.e. female representation was around the sector average.

The Search & Governance Committee meeting noted at its June 2021 meeting that BAME representation on the Corporation had varied between 0% and 10.5%, with the corresponding percentage for November 2021 being 6.25%.

The 2011 Census records around 51% of the national and local population as female, with just under 86% of the population of Yorkshire and the Humber declaring themselves to be White British. The 2011 census for Hull records 10.86% of the population as from a BAME group. Female representation on the Corporation is therefore currently lower than that for the College's staff, student & local populations and BAME representation is higher than the equivalent percentage for staff but lower than that for the local and student populations.

Corporation performance

Corporation assessed its performance in 2020/21 using an online governance effectiveness questionnaire, the results of which were positive overall, with the resulting report and actions to improve effectiveness discussed at the Corporation's November 2021 meeting. The Corporation's committees assess their effectiveness annually using self-assessment questionnaires.

During 2020/21 the Corporation's Curriculum & Quality (C&Q) Committee reviewed reports on academic quality at each meeting, with members receiving reports relating to the College's 2019/20 Self-Assessment Report (SAR) process at its December 2021 meeting. The Corporation ratified the College's approved SAR 2019/20 and Quality Improvement Plan (QIP) at its March 2021 meeting, on the recommendation of the C&Q Committee.

Remuneration Committee

The Remuneration Committee has a determined membership of 5. The Principal and staff and student members of Corporation are not eligible for membership. The committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Accounting Officer and other designated senior post holders. Details of remuneration for the year ended 31 July 2021 are set out in note 6 to the financial statements.

The Corporation meeting held on 26 September 2019 adopted the Association of Colleges' *The Colleges' Senior Postholder Remuneration Code*.

Audit Committee

The Audit Committee has a determined membership of 5 members, up to one of whom may be an external co-opted member. The Chair of the Corporation and the Principal, as Chief Accounting Officer, are not members of the committee. No staff members are members of the committee. The committee operates in accordance with written terms of reference approved by the Corporation. Collectively, members of the committee have recent, relevant experience in risk management, finance and audit and assurance.

The role of the committee includes advising the Corporation on the adequacy and effectiveness of the college's assurance framework. In addition, the committee advises and supports the Corporation in explaining in its annual report and accounts the measures it has taken to ensure it has fulfilled its statutory and regulatory responsibilities.

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

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

Wyke Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Audit Committee (continued)

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

The Audit Committee also advises the Corporation on the appointment of internal, regularity reporting accountants and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually 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. Such a system is, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the conditions of funding 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 Wyke Sixth Form 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 ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation, the College's governing body
 - regular reviews by the finance committee of monthly and annual financial reports which indicate financial performance against forecasts
 - setting targets to measure financial and other performance
 - clearly defined capital investment control guidelines
 - the adoption of formal project management disciplines, where appropriate.
-
- The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. As a minimum annually, the Head of Internal Audit (HIA) provides the Corporation with a report on internal audit activity in the College. The

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control (continued)

report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

In line with government guidance issued in May 2020 that corporations should 'Consider establishing a coronavirus governance and leadership group which meets regularly to monitor the board approved plan and consider any required adjustments and/or circumstances that may have arisen that require an immediate policy response. The group's membership, role and relationship to the full board should be agreed by the board, along with regular reporting protocols' (<https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-further-education-provision/maintaining-education-and-skills-training-provision-further-education-providers>), the Corporation established a COVID-19 Governance & Leadership Group, with joint Corporation and senior leadership team membership, which meets regularly to review the College's approach to ensuring that the College has a COVID-19 safe working environment, including review of appropriate risk registers, government guidance and local data.

Statement from the audit committee

Based on the reports of and discussions with both the internal auditors and the financial statements and regularity auditors, together with its own enquiries, the Audit Committee has, in its annual report for the year ended 31 July 2021, advised the Corporation that its opinion is: that reliance can be placed upon the adequacy and effectiveness of Wyke Sixth Form College Corporation's assurance arrangements, its framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets; that the Corporation's responsibilities, included in the annual financial statements, have been satisfactorily discharged.

To enable it to reach its annual opinion, the Audit Committee follows an annual schedule of work which reflects its approved terms of reference, which conform to the requirements of the ESFA's Post-16 Audit Code of Practice. This includes review at each meeting of the College's risk register and the implementation of any recommendations arising from internal or external audit reviews. A detailed account of the work of the Audit Committee during 2020/21 is available in its minutes at: <https://wyke.ac.uk/about-wyke/college-corporation/>

Review of effectiveness

There have been no significant internal control weaknesses or failures which have arisen during the period under review.

The Audit Committee does not consider that the COVID-19 pandemic, including lockdown, has had a significant impact on the quality of audit work undertaken during the period under review, with audit work being undertaken remotely where necessary.

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

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

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control (continued)

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 internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

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

Approved by order of the Members of the Corporation on 14 December 2021 and signed on its behalf by:



J Wilson
Chairman



P J Britton
Accounting Officer

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

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

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the 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 Corporation, or material non-compliance with the terms and conditions of funding under the Corporation's grant funding agreements with contracts with the ESFA or any other public funder.

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



J Wilson
Chairman

14 December 2021



P J Britton
Accounting Officer

14 December 2021

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

Within the terms and conditions of the Corporation's Conditions of Funding with the ESFA and any relevant funding bodies, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the *Statement of Recommended Practice – Accounting for Further and Higher Education F & HE SORP 2019* and with the *College Accounts Direction 2020 to 2021* issued by the ESFA, and which give a true and fair view of the state of affairs of the Corporation and the result for that year.

In preparing the financial statements the Corporation is required to:

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

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

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

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

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

Approved by order of the Members of the Corporation on 14 December 2021 and signed on its behalf by:



J Wilson
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WYKE SIXTH FORM COLLEGE

Opinion

We have audited the financial statements of Wyke Sixth Form College (the "College") for the year ended 31 July 2021 which comprise the College statements of comprehensive income, the College balance sheet, the College statement of changes in reserves, the College statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of the College's surplus of income over expenditure for the year then ended; and
- 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WYKE SIXTH FORM COLLEGE (CONTINUED)

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 2020 to 2021 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;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

Responsibilities of the Corporation of Wyke Sixth Form College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 21, the Corporation is responsible for the preparation of 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 these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the College operate in and how the College are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WYKE SIXTH FORM COLLEGE (CONTINUED)

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006 and Keeping Children Safe in Education under the Education Act 2002. We performed audit procedures to inquire of management whether the College is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 24 July 2017. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK AUDIT LLP
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

20 December 2021

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £'000	2020 £'000
INCOME			
Funding body grants	3	10,518	8,968
Tuition fees and education contracts	4	129	170
Other income	5	196	442
Investment income		-	4
Total income		<u>10,843</u>	<u>9,584</u>
EXPENDITURE			
Staff costs	6	7,673	6,631
Other operating expenses	7	2,067	2,018
Depreciation	10	709	746
Interest and other finance costs	8	148	155
Total expenditure		<u>10,597</u>	<u>9,550</u>
Surplus before other gains and losses		246	34
Loss on disposal of tangible fixed assets		-	-
Surplus before tax		246	34
Taxation	9	-	-
Surplus for the year		<u>246</u>	<u>34</u>
Re-measurement of net defined benefit pension liability	16	(45)	(405)
Other Comprehensive income for the year		<u>(45)</u>	<u>(405)</u>
Total Comprehensive Income for the year		<u>201</u>	<u>(371)</u>
Total Comprehensive Income for the year attributable to Corporation of the College		<u>201</u>	<u>(371)</u>

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

BALANCE SHEET AS AT 31 JULY 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	10	17,946	18,235
		<u>17,946</u>	<u>18,235</u>
Current assets			
Debtors	11	450	285
Cash at bank and in hand		1,365	820
		<u>1,815</u>	<u>1,105</u>
Current liabilities			
Creditors – amounts falling due within one year	12	(1,617)	(1,318)
Net current assets/(liabilities)		<u>198</u>	<u>(213)</u>
Total assets less current liabilities		<u>18,144</u>	<u>18,022</u>
Creditors – amounts falling due after more than one year	13	(14,209)	(14,621)
Provisions for liabilities			
Defined benefit pension scheme	16	(1,570)	(1,237)
Total net assets		<u>2,365</u>	<u>2,164</u>
Unrestricted Reserves			
Income and expenditure reserve		940	739
Revaluation reserve		1,425	1,425
Total reserves attributable to the College Corporation and total unrestricted reserves		<u>2,365</u>	<u>2,164</u>

The financial statements on pages 25 to 47 were approved and authorised for issue by the Corporation on 14 December 2021 and were signed on its behalf on that date by:



J Wilson
Chair



P J Britton
Accounting Officer

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2021

	Income and expenditure reserve	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 August 2019	1,110	1,425	2,535
Surplus for the year	34	-	34
Other comprehensive income	(405)	-	(405)
Total comprehensive income for the year	(371)	-	(371)
Balance at 31 July 2020	739	1,425	2,164
Surplus for the year	246	-	246
Other comprehensive income	(45)	-	(45)
Total comprehensive income for the year	201	-	201
Balance at 31 July 2021	940	1,425	2,365

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £'000	2020 £'000
Operating activities			
Cash generated from operations	15	1,381	594
Net cash from operating activities		<u>1,381</u>	<u>594</u>
Investing activities			
Purchase of tangible fixed assets		(420)	(139)
Proceeds from disposal of tangible fixed assets		-	-
		<u>(420)</u>	<u>(139)</u>
Financing activities			
Interest paid		(127)	(140)
Repayments of borrowings		(289)	(281)
		<u>(416)</u>	<u>(421)</u>
Increase in cash and cash equivalents in the year		<u>545</u>	<u>34</u>
Cash and cash equivalents at beginning of the year		820	786
Cash and cash equivalents at end of the year		<u>1,365</u>	<u>820</u>

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information

Wyke Sixth Form 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 12. The nature of the College's operations is 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 F & HE SORP 2019), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) 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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently applied to all the years presented, unless otherwise stated.

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.

Going concern

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

In 2021/22, the College is receiving funding for 2,209 students, the numbers at census in October 2020. The Corporation agreed that for 2021/22 the College would look to restrict numbers closer to its capacity level of 2,150 students. The budgets set for 2021/22 are based on this number of students and the College has adequate resources to operate at this level and is forecasting an operating surplus of £604,000. The effects of the reduction in student numbers will not materialise until the 2022/23 academic year and management have already begun to formulate plans to manage the reduction in funding income in that year.

There are inherent uncertainties regarding the level of funding that will be generated based upon future funding methodologies however the financial plan for 2021/22 is based on 16-18 year-old student numbers of 2,150 at census date, which the senior leadership team believes to be achievable. The College will continue to achieve a surplus position in 2021/22 through setting prudent budgets, continued tight budgetary control and monthly financial monitoring. Robust financial controls are in place, which are overseen by the Corporation.

The College had a healthy balance at the bank of £1,365,000 at the year-end. The cash position is closely monitored and 12-month rolling cash flows used to project cash balances and to ensure the bank's financial covenants are met. Cash flow forecasts indicate that a bank overdraft facility is not necessary for at least twelve months from the date of signing the financial statements, i.e. to December 2022.

Both Barclays and Lloyds Bank have expressed that they are satisfied with the financial stability of the College as a result of stable student numbers and the Senior Management and Corporation's scrutiny of the College's finances.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for at least 12 months from the date of the signing of the Financial Statements, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Recognition of income

Grants – government and non-government

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.

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, outside the permitted tolerance levels 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.

16-18 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.

Government capital grants for assets, other than land, are accounted for under the accrual model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

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.

Income from tuition fees is recognised over the period for which it is received.

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.

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 Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charge to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Retirement benefits (continued)

The East Riding Pension Fund is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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 finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Land is stated at deemed cost revalued at the date of transition to FRS 102 and buildings are stated at cost 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:

- Buildings – 2 or 4 per cent per annum
- Furniture, fixtures and fittings – 10 per cent per annum
- Computer equipment – 25 per cent per annum
- Motor vehicles – 10 per cent per annum

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

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Impairments of fixed assets (continued)

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. 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

Operating leases

All leases are operating leases and annual rents are charged to comprehensive income 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. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial Instruments

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

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 and equity 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 measure 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.

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.

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.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

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 VAT it suffers on goods and services purchased. Capital costs and non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

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 the amount of the obligation can be reliably measured.

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 certain 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.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. 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.

Critical accounting estimates and assumptions

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

- 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.

- 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 rates in order to calculate the net present value of those cash flows.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Funding body grants

	2021 £'000	2020 £'000
Recurrent grants		
Education and Skills Funding Agency - adult	7	18
Education and Skills Funding Agency - 16-19	9,833	8,314
Specific grants		
Teacher Pension Scheme contribution grant	254	228
Releases of government capital grants	396	408
Education and Skills Funding Agency- COVID - 19 mass testing funding	27	-
Total	10,518	8,968

The corporation has been eligible to claim additional funding in year, from government support schemes in response to the coronavirus outbreak.

The funding received for COVID - 19 mass testing of £27,000 covered the additional staffing costs incurred to perform this testing during the year.

4 Tuition fees and education contracts

	2021 £'000	2020 £'000
Tuition fees	24	52
Education contracts	105	118
Total	129	170

5 Other income

	2021 £'000	2020 £'000
Catering income	118	320
Miscellaneous income	68	122
Coronavirus Job Retention Scheme grant	10	-
Total	196	442

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Other income (continued)

The corporation furloughed some of the catering staff and also claimed for a proportion of minibus drivers contract hours under the government's Coronavirus Job Retention Scheme. The funding received in respect of 20 staff of £9,725 relates to staff costs, which are included within the staff costs note below as appropriate.

The funding received for Coronavirus Job Retention Scheme covered costs of £9,725 in 2020 to 2021.

6 Staff costs and key management personnel remuneration

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

	2021 Number	2020 Number
Teaching staff	104	94
Non-teaching staff	103	108
Total	207	202
Staff costs for the above persons	£'000	£'000
Wages and salaries	5,514	4,894
Social security costs	510	446
Other pension costs	1,457	1,225
Payroll sub total	7,481	6,565
Contracted out staffing services	155	65
	7,636	6,630
Restructuring costs* – contractual	-	-
– non-contractual	37	1
Total staff costs	7,673	6,631

* the Accounting Officer has delegated authority from the Corporation to authorise severance payments up to the statutory maximum

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Staff costs and key management personnel remuneration (continued)

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 Management Team which comprises the Principal, Deputy Principal, two Vice Principals, Assistant Principal, Director of Finance and HR Manager.

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

	2021	2020
	No.	No.
The number of key management personnel including the Accounting Officer who served during the year was:	7	6

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

	Key management personnel		Other Staff	
	2021	2020	2021	2020
	No.	No.	No.	No.
£35,001 to £40,000 p.a.	1	1	-	-
£45,001 to £50,000 p.a.	1	1	-	-
£50,001 to £55,000 p.a.	1	-	-	-
£55,001 to £60,000 p.a.	-	1	-	-
£60,001 to £65,000 p.a.	-	1	-	-
£65,001 to £70,000 p.a.	2	-	-	-
£70,001 to £75,000 p.a.	-	1	-	-
£75,001 to £80,000 p.a.	1	-	-	-
£100,001 to £105,000 p.a.	-	1	-	-
£105,001 to £110,000 p.a.	1	-	-	-
	<u>7</u>	<u>6</u>	<u>-</u>	<u>-</u>

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2021	2020
	£'000	£'000
Salaries	457	377
National Insurance	55	45
	<u>512</u>	<u>422</u>
Pension contributions	78	70
	<u>590</u>	<u>492</u>
Total emoluments	590	492

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

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Staff costs and key management personnel remuneration (continued)

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

	2021 £'000	2020 £'000
Current Accounting Officer – appointed 20 August 2018		
Salary	109	100
Pension contributions	26	23

The Corporation meeting held on 26 September 2019 adopted the Association of Colleges' *The Colleges' Senior Postholder Remuneration Code* (the *Code*). An annual Remuneration Committee report is made to the Corporation against the *Code*.

The Corporation determines the remuneration of designated senior post-holders on the recommendation of its Remuneration Committee. The designated senior post-holders in 2020/21 who were also classed as key personnel were the Principal, the Deputy Principal, the two Vice-Principals, and the Director of Finance.

The Remuneration Committee reviews senior post-holder remuneration with reference to the criteria set out in the designated post-holder remuneration policy approved by the Corporation i.e. with reference to: the Sixth Form Colleges' Association (SFCA) salary survey; salary information relating to College middle managers; any annual pay award made or to be made to staff other than senior post-holders; and affordability. The Corporation does not operate a performance related pay scheme for senior post-holders but the outcome of senior post-holders' performance and development reviews are discussed by the Remuneration Committee before its annual review of senior post-holder remuneration.

The Corporation agreed at its 12 December 2019 meeting, on the recommendation of its Remuneration Committee, a 3 year indicative pay scale for the Principal and for the Deputy Principal, with payment subject to annual review.

The remuneration of the accounting officer (i.e. the Principal) for 2020-21 was determined on 10 December 2020 by the Corporation on the recommendation of its Remuneration Committee i.e. the Corporation agreed that the accounting officer (i.e. the Principal) should receive, in addition to annual progression on the 3-year pay scale noted above, the same inflationary pay award for 2020/21 agreed nationally for sixth form college teaching staff who were not designated senior post-holders, payable from the date agreed as part of the national negotiations. The accounting officer was not involved in setting their remuneration. The factors taken into account by the Remuneration Committee in making its recommendation to the Corporation in relation to the accounting officer's remuneration for the year to 31 July 2021 were based on the criteria set out in the designated post-holder remuneration policy approved by the Corporation. A similar approach was used to determine the remuneration of the Deputy Principal.

The remuneration of other key management personnel designated as senior post-holders by the Corporation was determined as follows: the 2 Vice-Principals received the same inflationary pay award for 2020/21 agreed nationally for teaching staff in sixth form colleges who were not designated senior post-holders, payable from the date agreed as part of the national negotiations; the Director of Finance received the same inflationary pay award for 2020/21 agreed nationally for support staff in sixth form colleges who were not designated senior post-holders, payable from the date agreed as part of the national negotiations,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

6 Staff costs and key management personnel remuneration (continued)

The relationship between the accounting officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2021 No	2020 No
Basic salary as a multiple of median basic salary of staff	3.68	3.84
Total remuneration as a multiple of median total remuneration of staff	3.72	3.84

The above multiples are based on the salaries of employees with contract hours and therefore excludes casual employees.

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.

No expenses were paid to or on behalf of the Corporation members the year (2020: £29). No Corporation member has received any remuneration or waived payments from the College during the year (2020: None).

7 Other operating expenses

	2021 £'000	2020 £'000
Teaching costs	182	205
Non-teaching costs	1,250	1,285
Premises costs	635	528
Total	2,067	2,018

	2021 £'000	2020 £'000
Surplus before taxation is stated after charging:		
Auditors' remuneration:		
Financial statements audit	21	16
Internal audit	7	7
Other services provided by the financial statements auditor	1	1
Loss on disposal of tangible fixed assets	-	-
Operating lease rentals	41	33

8 Interest and other finance costs

	2021 £'000	2020 £'000
Bank loans, overdrafts and other loans	127	140
Net interest on defined pension liability (note 16)	21	15
Total	148	155

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Taxation

The Governors do not believe the College was liable for any corporation tax arising out of its activities during either year.

10 Tangible fixed assets

	Freehold land and buildings £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 August 2020	22,730	2,483	188	25,401
Additions	-	404	16	420
Disposals	-	(144)	-	(144)
At 31 July 2021	22,730	2,743	204	
Depreciation				
At 1 August 2020	5,149	1,921	96	7,166
Charged for the year	467	224	18	709
Appropriated on disposals	-	(144)	-	(144)
At 31 July 2021	5,616	2,001	114	7,731
Carrying amount at 31 July 2021	17,114	742	90	17,946
Carrying amount at 31 July 2020	17,581	562	92	18,235

Land and buildings includes land valued at £1,425,000 (2020 £1,425,000) on 1 August 2014 (the transition date to FRS 102) which is not depreciated. This was included at deemed cost. This valuation was performed by DVS Property Services, an independent valuer on a fair value basis.

If inherited land and buildings had not been valued, they would have been included at the following amounts:

	2021 £'000	2020 £'000
Cost	Nil	Nil
Aggregate depreciation based on cost	Nil	Nil
Carrying amount based on cost	Nil	Nil

11 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	13	8
Prepayments and accrued income	437	277
Total	450	285

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans	300	289
Trade creditors	187	123
Other creditors	228	208
Other taxation and social security	147	131
Accruals and deferred income	274	85
Government capital grants	403	412
Government revenue grants	78	70
Total	1,617	1,318

13 Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Bank loans	2,590	2,890
Government capital grants	11,619	11,731
	14,209	14,621
Total	2,890	3,179

	2021 £'000	2020 £'000
Bank loans are repayable as follows:		
In one year or less	300	289
Between one and two years	303	293
Between two and five years	931	899
In five years or more	1,356	1,698
Total	2,890	3,179

The College took out a loan of £2,500,000 for the Redevelopment Project, which was completed in 2010/11, on a revolving credit facility during 2007/08. As at 31 July 2021 £2,500,000 (2020 £2,500,000) had been drawn down. The loan is to be repaid over a 22-year period which commenced on completion of the project. In August 2013 the prevailing rates of interest were increased to 7.37% and 5.46% fixed and for the variable rate loan a margin of 2.9%. The prevailing variable interest rate at 31 July 2021 was 3.0 % (being the base rate of 0.1% and the margin rate 2.9%).

A further loan of £2.1m was taken out in August 2013 to finance phase three of the College redevelopment plus an additional £250k to support the working capital requirements of the College. This comprised seven separate draw-downs on a revolving credit facility, which termed out in October 2015 and became a term loan facility of 13 years. The prevailing variable interest rate at 31 July 2021 for the Barclays' loan was 2.35% (being the base rate of 0.1% and the margin rate 2.25%).

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Financial instruments

The College has the following financial instruments:

	2021 £'000	2020 £'000
Financial assets		
Financial assets measured at fair value through profit or loss		
Debt instruments measured at amortised cost:		
Trade debtors	13	8
Accrued income	173	98
Total	186	106
	2021 £'000	2020 £'000
Financial liabilities		
Financial liabilities measured at fair value through profit or loss		
Financial liabilities measured at amortised cost:		
Trade creditors	187	122
Bank loans	2,890	3,179
Accruals	274	83
Total	3,351	3,384

15 (a) Notes to cash flow statement

	2021 £'000	2020 £'000
Surplus after tax for the year	246	34
Adjustment for:		
Depreciation	709	746
Interest payable	148	155
Pensions costs less contributions payable	267	212
Operating cash flow	1,370	1,147
Increase in debtors	(165)	(108)
Increase/(decrease) in creditors	176	(445)
Cash generated from operations	1,381	594

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 (b) Analysis of changes in net debt

	At 1 August 2020	Cash flows	New finance leases	Other non- cash changes	At 31 July 2021
	£000	£000	£000	£000	£000
Cash	820	545	-	-	1,365
Cash equivalents	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-
-	820	545	-	-	1,365
Loans falling due within one year	(289)	289	-	(300)	(300)
Loans falling due after more than one year	(2,890)	-	-	300	(2,590)
Finance lease obligations	-	-	-	-	-
Total	(2,359)	834	-	-	(1,525)

16 Retirement benefits

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and 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.

	2021 £'000	2020 £'000
Teachers' Pension Scheme: contributions paid	805	703
East Riding Pension Fund :		
Contributions paid	385	310
FRS 102 (28) charge	267	212
Charge to the Statement of Comprehensive Income	652	522
Total Pension Cost for Year within staff costs	1,457	1,225

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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £94,753 (2020 £92,725) were payable to the schemes at 31 July and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Retirement benefits (continued)

The latest actuarial valuation was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuation and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

Valuation of the Teachers' Pension Scheme

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI.

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

The pension costs paid to TPS in the year amounted to £804,800 (2020: £703,085).

The next valuation result is due to be implemented from 1 April 2023.

East Riding Pension Fund

The East Riding Pension Fund is a funded defined-benefit plan, with the assets held in separate funds administered by East Riding of Yorkshire Council. The total contributions made for the year ended 31 July 2021 were £480,557, of which employer's contributions totalled £385,061 and employees' contributions totalled £95,496. The agreed contribution rates for future years are 22.2% for employers and range from 5.5% to 12.5% for employees, depending on salary.

The current valuation does not reflect the potential increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Principal Actuarial Assumptions

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

	At 31 July 2020	At 31 July 2019
Rate of increase in salaries *	2.4%	2.1%
Future pensions increases	2.6%	1.8%
Discount rate	1.65%	1.5%
Inflation assumption (CPI)	2.6%	1.8%
Commutation of pensions to lump sums	60% - 80 %	60% - 80%

* The College requested a bespoke salary assumption for 2021 of 2.0% p.a. until 31 March 2023, reverting to the long term assumption of CPI (2.6%) thereafter.

Wyke Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Retirement benefits (continued)

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

	At 31 July 2021 Years	At 31 July 2020 Years
<i>Retiring today</i>		
Males	20.9	20.9
Females	23.3	23.3
<i>Retiring in 20 years</i>		
Males	21.8	21.8
Females	24.8	24.8

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

	Fair value at 31 July 2021 £'000	Fair value at 31 July 2020 £'000
Equity instruments	5,940	4,581
Debt instruments	1,660	1,198
Property	961	846
Cash	174	422
Total fair value of plan assets	8,735	7,047
Actual return on plan assets	1,322	(601)

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

	Fair value at 31 July 2021 £'000	Fair value at 31 July 2020 £'000
Fair value of plan assets	8,735	7,047
Present value of plan liabilities	10,305	8,284
Net pensions liability	1,570	1,237

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

	2021 £'000	2020 £'000
Current service cost	(652)	(538)
Past service cost	-	19
Net interest on the net defined benefit pension liability	(21)	(15)
Total	(673)	(534)

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Retirement benefits (continued)

	2021 £'000	2020 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	8,284	7,979
Current service cost	652	538
Past service cost	-	(19)
Interest cost	129	181
Contributions by scheme participants	95	79
Change in demographic assumption and actuarial (gains)/losses	1,259	(362)
Benefits paid	(114)	(112)
Defined benefit obligations at end of period	<u>10,305</u>	<u>8,284</u>
	2021 £'000	2020 £'000
Changes in fair value of plan assets		
Fair value of plan assets at start of period	7,047	7,374
Interest income	108	166
Return on plan assets (excluding net interest on the net defined benefit liability)	1,214	(767)
Employer contributions	385	307
Contributions by scheme participants	95	79
Benefits paid	(114)	(112)
Fair value of plan assets at end of period	<u>8,735</u>	<u>7,047</u>

17 Amounts disbursed as agent learner support funds

	2021 £'000	2020 £'000
Funding body grants	375	345
Disbursed to students	(297)	(275)
Balance unspent as at 31 July, included in creditors	<u>78</u>	<u>70</u>

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

Wyke Sixth Form College

FINANCIAL STATEMENTS

for the year ended 31 July 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Capital commitments

	2021 £'000	2020 £'000
Commitments contracted for at 31 July	-	-

19 Related party transactions

Key management compensation disclosure is given in note 6.

20 Financial commitments

Commitments under operating leases:

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

	2021 £'000	2020 £'000
Payments due:		
Not later than one year	41	33
Later than one year and not later than five years	27	56
Total lease payments due	68	89

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF WYKE SIXTH FORM COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 26 October 2020 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Wyke Sixth Form College during the period 1 August 2020 to 31 July 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

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

We are independent of the Wyke Sixth Form College in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion

Responsibilities of Corporation of Wyke Sixth Form College for regularity

The Corporation of Wyke Sixth Form College is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The corporation of Wyke Sixth Form College is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

Reporting accountant's responsibilities for reporting on regularity

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.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF WYKE SIXTH FORM COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Use of our report

This report is made solely to the Corporation of Wyke Sixth Form College and the Secretary of State for Education acting through 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 Wyke Sixth Form College and the Secretary of State for Education acting through 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 Wyke Sixth Form College and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.



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20 December 2021