



Salford City College

Annual Report and Financial Statements

Year ended 31st July 2021

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Reference and Administrative Details

Board of Governors

Jackie Flynn (Chair)	Prof. Carole Roberts
Pat Walkington (Vice Chair)	Michael Sharples
Paul Johnson	Amy Vaughan (Staff Governor)
Charles Davies	Joe Eyres (Student Governor) until 31 st July 2021
Sally Kells	Paula Summersfield
Anthony Redmond	Shane Thompson
Michael Sheehan (Group Principal & Chief Executive) until 31 December 2020	Rebecca Parks (Acting Principal) from 12 th October 2020

Clerk / Company Secretary

Mrs Denise Hark from 1 September 2019

Senior Leadership Team

Mr Michael Sheehan	Group Principal & Chief Executive, Accounting Officer (until 31 st December 2020)
Ms Karen Hollins	Chief Financial Officer
Mrs Rebecca Parks	Deputy Principal (until 11 th October 2020) Acting Principal, Accounting Officer (from 12 th October 2020)
Mrs Kimberley Cash	Vice Principal (Welfare, Safeguarding & Pastoral Care)
Ms Kate Rogerson	Vice Principal (Academic)
Mrs Ruth Osborne-Thompson	Vice Principal (Central Services)
Mrs Debbie Ward	Director of Operations Management
Ms Kelly Mason	Director of Human Resources
Mr Allan Milne	Director of Business Development & Apprenticeships

Principal and Registered Office – SCC Group, Pendleton College, Dronfield Road, Salford, M6 7FR

Professional advisers

Financial statements auditors and reporting accountants:

Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Internal auditors:

ICCA Education, Training and Skills Limited
3rd Floor, Charles House
Great Charles Street Queensway
Birmingham
B3 3HT

Bankers:

Lloyds Bank plc	Barclays Bank plc
8 th Floor	3 Hardman Street
40 Spring Gardens	Spinningfields
Manchester	Manchester
M2 1EN	M3 3HF

Solicitors:

DWF LLP Solicitors	Eversheds LLP	Hill Dickinson LLP
1 Scott Place	Eversheds House	50 Fountain Street
2 Hardman Street	70 Great Bridgewater Street	Manchester
Manchester	Manchester	M2 2AS
M3 3AA	M1 5ES	

Strategic Report of the Corporation

OBJECTIVES AND STRATEGY

The Corporation members present their annual report together with the financial statements and auditor's report for the year ended 31 July 2021.

Legal status

Salford City College was formed on 2 January 2009 from the three existing colleges in Salford. On 1 January 2009 Pendleton College acquired the assets and liabilities of Eccles College and Salford College. This was achieved by the dissolution of the corporations of Eccles College and Salford College and a transfer of their employees, assets and liabilities into Pendleton College under section 27 of the Further and Higher Education Act 1992.

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Pendleton College but it changed its name to Salford City College on 2 January 2009. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Mission, Vision, Strategy and Objectives

The Corporation reviewed the College's mission and in July 2017 adopted a new vision, aims and 5 year strategic plan:

Our Vision

To be a beacon of educational excellence transforming the lives of the individuals and communities we serve.

Our Aims

We aim to:

- *Deliver outstanding quality in terms of teaching and learning and the student experience.*
- *Provide outstanding levels of student care with an emphasis on educating the whole person, employability skills and positive progression outcomes.*
- *Create a college community with core values at its heart.*
- *Nurture our staff and students so that we have high levels of morale, together with creativity, innovation and excellence.*
- *Put high standards at the heart of all that we do. In our pursuit of excellence, we recognise that individually and collectively we can always improve.*

To support the achievement of our aims we will:

- *Seek to prosper as an independent organisation working in partnership with others to contribute to local, regional and national priorities.*
- *Maintain a comprehensive offer for all abilities and ages, valuing all our students equally and promoting equality and diversity.*
- *Invest in and modernise our campuses.*
- *Maintain financial stability through effective cost control and growth in 16-18 students, Higher Education, Apprenticeships, adult and full cost recovery provision.*
- *Strive to become sector-leading in all our activities with appropriate benchmarking against 'Best in Class' organisations, Sixth Form Colleges and General Further Education Colleges.*

Our Values

- *We respect the rights of individuals.*
- *We promote ethical and professional behaviour.*
- *We value all our staff and students equally.*
- *We promote equality, diversity and inclusion.*
- *We operate first and foremost as a centre of excellence in education.*
- *We prioritise the needs of our primary stakeholders: our students and the communities we serve.*

Our Strategic Plan

Three key strategic objectives:

Quality

To become a Grade 1 (Outstanding) college with:

- *Grade 3 (Excellent) Alps or equivalent on all courses*
- *All areas of the College exceeding national achievement rates by a minimum of 5% by September 2021*

Growth

- *By September 2021 to further increase the number of 16-18 students enrolling at the College together with expansion of Higher Education, apprentices, adult and full cost recovery provision*

Efficiency

- *By September 2021 to be classified by the ESFA as having 'Good' financial performance with sound finances leading to organisational stability.*

Our Financial objectives

The key ongoing financial objectives are:

- Generation of a surplus excluding pension adjustment (2020-21: £1,672k surplus).
- Achievement of a 'Good' financial health rating from the Education Skills Funding Agency (2020-21: 'Outstanding').
- Achievement of an adjusted current ratio of 1.1 (2020-21: 2.01).
- Maintenance of cash days of 50 (2020-21: 98).

Covid-19 impact

As with the whole of the sector, the College has had a challenging year in relation to the impact from the Covid-19 pandemic, most notably from the requirement to alternate between remote, blended and on site education delivery and home working to meet government guidelines, as well as the financial impact of the crisis. However, the quality, growth and efficiency objectives have been met, and the College has achieved a strong financial position and cash balance in excess of its plan. The College has subsequently reviewed its mission and adopted a new 2 year post-pandemic strategy for 2021 to 2023, from August 2021.

Resources

Salford City College has a wide range of resources that it can deploy in pursuit of its strategic priorities.

The College employed an average of 691 people (533 when expressed as full time equivalents), of whom 358 were teaching staff (312 when expressed as full time equivalents).

The College enrolled approximately 9,494 students. The College's student population includes 4,718 16 to 18 year old students, 1,404 apprentices, 302 higher education students, and 2,902 adult learners. There were no international students.

The College has £180k of net assets (2019-20: £887k of net liabilities), including a £26,181k pension liability (2019-20: £25,576k), and total debt of £6,212k (2019-20: £6,526k), £434k of which is deemed to be due within one year (2019-20: £6,526k due to the timing of loan refinancing arrangements and the resultant classification as short term debt). The College's cash balance at 31st July 2021 was £9,065k (2019-20: £4,167k).

Tangible resources include the main college sites at Dronfield Road, Lissadel Street and Merchant's Quay in Salford, FutureSkills at MediaCity, Chatsworth Road in Eccles and Walkden Road in Worsley. In addition to these main sites, the needs of learners are met in a number of community based venues across the City of Salford.

Maintaining brands is essential for the College's success at attracting students and developing external relationships. Trading as SCC Group, the College markets its provision under the banners of five colleges and two brands. The five colleges are Eccles Sixth Form College, Pendleton Sixth Form College, City Skills, Worsley College, and Future Skills at MediaCityUK, whilst the two brands are University Centre at Salford City College and Apprenticeships at Salford City College.

Resources (continued)

The College has an outstanding reputation locally and nationally. In the last Ofsted inspection in December 2019, the outcome remained a grade 2 meaning the College continues to be a Good provider.

The College is registered with the Office of Students, to deliver its higher education provision.

Stakeholders

The College has many stakeholders including:

- its current, future and past students;
- its staff and their trade unions. The senior leadership team are named on page 1. The trade unions of which Salford City College staff are members are UNISON, NASUWT, National Education Union, and University and College Union;
- the employers it works with;
- the professional organisation for each of the sectors in which it operates;
- its partner schools and universities;
- the wider college community;
- Salford City Council, Greater Manchester Combined Authority and Chambers of Commerce.

The College recognises the importance of these relationships and engages in regular communication with its stakeholders. The College has representatives on a number of key groups and leads in many of these areas.

Public Benefit

Salford City College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on page 1. In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to 9,494 students, including 131 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The College adjusts its courses to meet the needs of local employers and provides training to 1404 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Financial Results

The College focuses on monitoring performance based on its operating position, which is the surplus or deficit excluding pension adjustment. The College generated a surplus excluding pension adjustment of £1,672k (2019-20: £563k deficit).

The College received 89% of its total income from funding bodies, most notably from the Education and Skills Funding Agency (ESFA) for 16-18 provision. The increase in funding body grant income from the prior year was largely due to 16-18 funding from the ESFA, following significantly increased student numbers above target. The College also received additional one-off funding in relation to Covid-19 in 2020-21 from the ESFA 16-19 Tuition Fund, to support small group tuition to facilitate catch-up and focussed learning. As a result of these additional income streams, there has been an increase in staff and other operating costs from the prior year, although these have been offset by reduced expenditure in some areas as a result of the Covid-19 pandemic and therefore the change in expenditure does not completely correspond with the increase in income. In addition, the College received one-off Covid-19 funding from the Coronavirus Job Retention Scheme, following the temporary closure of commercial operations. This has all contributed to an improvement in financial performance in year compared to the financial plan.

The College generated a deficit before other gains and losses in the year of £656k (2019-20: deficit of £2,168k).

Financial Results (continued)

The actuarial gain on the pension schemes has resulted in a total comprehensive gain for the year of £1,067k (2019-20: £10,019k loss).

During the year, the College incurred restructuring costs of £90k (2019-20 £169k).

At the balance sheet date, the College held net current assets of £4,267k (2019-20: current liabilities £5,192k). The movement in year reflects the updated classification of the College's loans as long-term debit following refinancing arrangements being concluded in year. The College held total net assets of £180k (2019-20: £887k of net liabilities), which includes a defined benefit pension liability of £26,181k (2019-20: £25,576k).

Covid-19 impact

Following the pandemic's profound impact on the College's finances in the prior year, and despite the ongoing challenges faced in year, the College has met its aim to recover its financial position and return its focus to building strong financial foundations.

Whilst core funding was assured from the ESFA for 16-18 delivery, and indeed over-achieved through in-year growth monies due to significantly increased student numbers above target, the majority of other income streams were not. Delivery against the ESFA and Greater Manchester Combined Authority adult education budget allocations were below plan. Tuition fees across all provision were affected. Higher Education income was adversely impacted with the removal of the student cap as a result of the pandemic. As a result of periods of national lockdown, catering and other commercial income has been significantly reduced in year.

Conversely, the College was able to support learners catch up with core education through receipt of a 16-19 Tuition Fund allocation for small group tuition. Apprenticeship income recovered strongly in year, with significant levels of recruitment despite the volatility of the employment market.

Expenditure was restricted where possible and appropriate. For some services, the College was able to negotiate a reduction in costs where the provision of service was temporarily not required, whilst exam fees were reduced due to the move to teacher assessed grades. Following the temporary closure of commercial operations, the Corporation furloughed catering staff and other staff supporting commercial activities under the Government's Coronavirus Job Retention Scheme, obtaining £80k income to support salaries.

Cash flows and liquidity

The College's net cash flow from operating activities was £7,241k (2019-20: £1,572k), which was a significant improvement on the prior year. The College's overall net cash inflow is £4,898k (2019-20: cash outflow £681k), after financing £1,744k of tangible fixed asset purchases and total debt servicing costs of £600k.

During the year the College refinanced a £2.5m secured loan at a variable interest rate of Base Rate plus 1.9%. The loan is for 5 years from March 2021, with a 10-year payment profile. This loan was refinanced during 2020-21, thus moving the liability from short term to long term in year. The College also renegotiated its £5.375m loan to include security for the lender.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year this margin was easily exceeded and the loan covenants were complied with.

Covid-19 impact

Following the deterioration in the College's finances during the prior financial year due to the pandemic, cash was protected wherever possible in 2020-21. Most notably, capital expenditure funded by cash reserves was significantly reduced in line with the cash balances needing to recover. The strength of the College's financial position has also impacted favourably on the cash position, caused in part by reduced costs linked to the pandemic.

With the exception of the Coronavirus Job Retention Scheme, no financial support was applied for by the College, and therefore it was not in receipt of any funds from the ESFA's provider relief scheme, Government's Coronavirus business interruption loan scheme, nor the national free meals voucher scheme.

Developments

The College's ongoing investment in its estate continued, with tangible fixed asset additions during the year amounting to £2,015k. This was split between property improvements of £1,469k, fixtures and fittings of £70k, and equipment purchases of £560k, which was offset by £84k of assets held in the course of construction at the end of the prior year moving into these categories during 2020-21.

As part of this investment, the College received £1,524k of capital funding from the Department for Education's Further Education Capital Allocation (FECA) in September 2020 to undertake remedial work to upgrade the condition of the estate, most of which was spent in-year.

Reserves

The College has accumulated reserves of £(363)k and cash balances of £9,065k. Excluding defined pensions obligations in relation to the LGPS pension scheme, the accumulated reserves stand at £25,818k. The College wishes to continue to accumulate reserves and cash balances to create a contingency fund and to fund the further development of the College estate.

Sources of Income

The College continues to have significant reliance on the education sector funding bodies as its principal funding source, largely from recurrent grants. In 2019-20, the Further Education funding bodies provided 89% of the College's total income (2019-20: 87%).

Covid-19 impact

The pandemic has reinforced the importance of diverse income streams to support the College's financial position. The College's reliance on funding body income increased in year, linked to significant over-recruitment of 16-19 students resulting in receipt of in-year growth funds from the ESFA, and receipt of the ESFA's 16-19 Tuition Fund. With the temporary cessation of commercial activities, non-funded income levels fell, but these are anticipated to return to pre-pandemic levels as a minimum now that Covid-19 measures are no longer in place which limit activity.

Group Companies

The College had one subsidiary company, E4Jobs Limited, which has not traded for some years. Following an application to Companies House, it was dissolved on 17 November 2020.

Streamlined Energy and Carbon Reporting

The College is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- Taken advantage of Covid 19 to strengthen mobility with digital solutions.
- Where possible and appropriate, staff have been encouraged to hold more virtual meetings, rather than commuting and undertaking business travel. As a result, business travel has reduced significantly in 2020-21.

The College's greenhouse gas emissions and energy use for the period are set out below

UK Greenhouse gas emissions and energy use data for the period	1 August 2020 to 31 July 2021	1 August 2019 to 31 July 2020
Energy consumption used to calculate emissions (kWh)	6,147,027	6,109,904
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	516	520
Owned transport	5	7
Total	521	527
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	692	652
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	8	46
Total gross emissions in metric tonnes CO2e	1,221	1,225
Intensity ratio: Metric tonnes per staff member	1.75	1.86

Streamlined Energy and Carbon Reporting (continued)

Qualification and reporting methodology

The College has followed the 2019 HM Government Environmental Reporting Guidelines. In addition, the College has also used the GHG Reporting Protocol – Corporate Standard, and the 2021 UK Government’s Conversion Factors for Company Reporting.

Intensity ratio

The College’s chosen intensity measurement ratio is emissions in metric tonnes (CO₂e) per staff member.

FUTURE PROSPECTS

Future developments

The ambition of the College is to create a curriculum and supporting infrastructure which is distinctive and meets the needs of individual learners. The College has two sixth form centres, together with a range of vocational skills centres placed in areas of defined need, and will maintain its 5 college and 2 brand approach with distinctive cultures serving the needs of specific cohorts of students across the City.

The College’s vision, aims and objectives establish a clear emphasis on quality, efficiency and growth. Following an initial two year period of consolidation, and continuing progression in 2019-20, the financial year 2020-21 has seen significant further developments in the College, and has laid the foundation to enable future significant change to support the College’s key aims, namely to establish financial stability and invest in quality improvement.

Linked to known demographic increases in school leavers in the local area over the next five years, the College is well positioned to be the destination of choice, with ever increasing standards of educational delivery. Our curriculum offering will continue to reflect current and future needs of our local community and the City’s economic development, and is responsive to national changes. It is well designed to support the development of T Levels, and to accommodate a new era of student, where outcomes are not compromised post pandemic.

A new strategic plan for 2021 to 2023 has been developed, reflecting the progress made during the year, the effects of the Covid-19 pandemic, and the Government’s White Paper on Further Education: *Skills for Jobs: Lifelong Learning for Opportunity and Growth*. The College is well placed to respond to further education reform, and to support the development of skills to meet economic needs. At the heart of the future strategy remains the same vision and core guiding principles, with a balance struck between growth and the need to maintain quality and efficiency, and with an emphasis on educating the whole person, employability skills and positive progression outcomes.

Covid-19 impact

Following the necessitated change to the curriculum delivery and business models at the start of the pandemic, these continue to be available to the College, to be utilised as appropriate in the coming period should they be required, with the College flexible in its approach to the situation as it unfolds. Detailed curriculum delivery plans exist to support blended or remote study programmes and courses if required, and the workforce would be able to continue to work flexibly to meet the needs of the College and its learners.

A greater focus on technology and more versatile curriculum delivery has arisen as a result of the pandemic, and this will continue to be invested in moving forward to support the quality objective. Online and blended learning models have the potential to further enhance standards and reach a greater number of students, thus also supporting the growth objective, including the potential for more adult learners to take on studies. Not all learners will engage effectively with remote delivery learning models and this may impact on the quality of the provision and the learner experience.

With the move to remote working for periods of the pandemic, there is the potential for the College to continue to grow without the need for additional estate to support the College’s professional functions, and further support the efficiency objective.

Financial plan

The College Governors approved a financial plan in July 2021, which sets objectives for the period to July 2022. The College aims to maintain its financial health rating of 'Outstanding', and to achieve a surplus excluding pension adjustment in the year to 31 July 2022.

Sound financial planning is even more critical for the College as it emerges from the Covid-19 pandemic. In developing the financial plan for the 2021-22 financial year, a detailed review of the College's income streams and cost base has been undertaken, to create a robust baseline budget, on which the decision-making process for the College can be based. There is a clear understanding of the financial position across the Corporation and senior leadership team, and a commitment to continuing to steer the College on a sound financial base and to financial sustainability.

Whilst the College has increasing levels of 16-18 funding following recent growth in student numbers, mitigation plans are being formulated to enable the College to be responsive to fluctuations in financial performance, including any potential ongoing impact of the public health crisis on the College's income streams. The drive for efficiency and value for money across the whole spectrum of the College's activities is of paramount importance in order to further secure the College's financial position and to ensure continued progress on the path towards financial sustainability.

The College's College Financial Forecasting Return (CFFR) submitted to the ESFA in July 2021 outlined a financial health grade of 'Outstanding', with continuing strong performance in both surplus and cash over the coming 2 years. Whilst impact of the Covid-19 pandemic will potentially continue to have an impact on the College's finances in 2021-22, the expectation based on September 2021 enrolment and planned growth over the medium term is for the ambition to maintain an Outstanding financial health to be realised.

Treasury policies and objectives

Treasury management is the management of the College's cash flows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a treasury management policy in place to manage cash flows and associated risks.

Short term borrowing for temporary revenue purposes is authorised by the College's Accounting Officer. All other borrowing requires the authorisation of the Corporation, and compliance with the requirements of the ESFA Funding Agreement.

The College has no plans to increase long term borrowing. The College has agreement in principle for an overdraft facility with our primary bankers, should this be required for short term cash flow purposes, but this is not expected to be required.

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of an organisation, and ensures that there are adequate resources to support the College's core activities. The College currently holds no restricted reserves (2019-20: £nil). As at the balance sheet date, the Income and Expenditure account reserve stands at £(363)k (2019-20: -£1,461k). This is predominantly due to the defined benefit obligation of £26,181k (2019-20: £25,576k) in relation to the Local Government Pension Scheme. It is the Corporation's intention to increase reserves over the life of the Strategic Plan, by the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has well-developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management, and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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

The main risk factors which may affect the College are outlined below, along with the action being taken to minimise them. Not all factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Government funding

The College has considerable reliance on continued government funding through the further education sector funding bodies. In 2020-21 89% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding, including the implementation of the Government's White Paper on Further Education, further apprenticeship reforms, the removal of funding for the majority of applied general qualifications such as BTECs, and the proposed reform of the adult skills funding system in the context of the third year of devolution of the adult education budget. The College, in conjunction with its key stakeholders, is developing a strategy for growth in response to the devolution agenda, and to these reforms, elements of which are in readiness for their publication. It is recognised that any changes to funding will impact on the College, but the extent and full implications will not be known until government policy has developed.

This risk is mitigated in a number of ways:

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

Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102.

This risk is mitigated by an agreed deficit recovery plan with the Greater Manchester Pension Scheme.

Failure to maintain the financial viability of the College

The College's current financial health grade is classified as 'Outstanding' as described above. Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on further education funding arising from a sustained period of cuts in public sector spending and increasing costs, whilst maintaining the student experience.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Continuous in year budget monitoring and forecasting
- Robust financial controls
- Exploring ongoing procurement efficiencies
- Diversification of income streams

Covid-19 impact

Whilst many of the College's risks and uncertainties have been sensitive to Covid-19 related matters during the year, many are ongoing. Enduring key risks arising from the pandemic are:

- the ability to deliver study programmes and courses
- the ability to recruit and retain learners
- the ability to continue the development of partnerships and stakeholder relationships
- the potential for an unrecoverable of income
- the ongoing costs of elements of Covid-related measures

These risks are being monitored closely and continue to be mitigated in a number of ways:

- Creation of detailed curriculum delivery plans to support on site, blended or remote study programmes and courses
- Regular engagement with learners to ensure progress and provide support
- Versatile marketing plans to deliver targets
- Close working with partners and key stakeholders to strengthen our provision offering and communication
- Maintenance of a contingency budget to underpin the College's financial position
- Sensitivity analysis of income streams, with mitigation plans to address different scenarios including cost reduction
- Continuous in year budget monitoring, with ongoing analysis of income levels against target
- Tight budgetary control to understand and address increased costs, including of Covid-related measures

KEY PERFORMANCE INDICATORS

The College is committed to observing the importance of sector measures and indicators, and uses the Department for Education (DfE) performance tables and National Achievement Rate tables (NART) to benchmark. However, due to the pandemic, the results for both 2019-20 and 2020-21 have not been officially reported for any provider. The College is required to complete the annual College Financial Forecasting Return (CFFR) for the Education and Skills Funding Agency (ESFA), in which the College is assessed by the ESFA as having 'Outstanding' financial health.

Student numbers

In 2020-21 the College delivered activity against its main funding body allocations as follows:

- 16-18 funding allocation £23,156k, with 4,718 learners (2019-20: £20,659k with 4,211 learners)
- ESFA Adult Skills Budget allocation, including community learning, of £11k (2019-20: £98k)
- GMCA Adult Skills Budget allocation, including community learning, of £5,961k (2019-20: £6,172k)
- 16-18 Apprenticeship allocation and levy income of £2,782k (2019-20: £2,909k)

Value Added

Value added measures overall student performance, taking into account the number of subjects and the quality of teaching and learning. The Quality Indicator (QI) score and grade indicates the progress made across all examination entries, containing every grade taken by each subject, and thus giving a clear view of overall curriculum performance. The QI compares the total actual points with the total expected points. Outcomes are graded from 1 to 9 to show performance against national benchmarks, where 1 is "best possible", 2 is "outstanding", 3 is "excellent" and 4 is "very good". A Grade 1 Alps indicates performance in the top 1% in the country, as students perform better than 99% of other sixth form establishments when compared to students with the same GCSE grades on entry.

Value Added (continued)

At A level, the College has again achieved a value added score of 2 (2019-20: 2), maintaining its significant progress since a score of 4 in 2018-19 and 6 in 2017-18 and 2016-17.

For Advanced Level Vocational, the College has again achieved a value added score of 2 (2019-20: 2), maintaining its progress since a score of 2 in 2018-19, 3 in 2017-18 and a 5 in 2016-17.

Following the learning from the 2020 summer examinations, the Government and Ofqual agreed to award Teacher Assessed Grades (TAG) for the 2021 examination series. The TAG is the teacher's professional judgement of the most likely grade a student would have achieved if exams had gone ahead. The College's teachers based this grade on a range of evidence including mock exams, coursework, homework assignments and any other records of student performance over the course of study. Therefore, it was an accurate reflection on performance.

Student achievements

Achievement rates at the College continue to be good, including apprenticeships.

The overall 16-18 achievement rate has remained at the high rate of 87% (2019-20: 87%), with a 19+ achievement rate of 84% (2019-20: 85%). The overall apprenticeship success rate is 67.5% (2019-20: 65.4%).

Level 3 achievement rates were at 92.6% for 16-18 students (2019-20: 91.7%) and 85.6% for 19+ students (2019-20: 89.4%).

Financial results

The College is subject to assessment on its financial performance against a series of key performance indicators relevant to the Further Education sector, from both the ESFA as its main funding body, as well as against the FE Commissioner benchmarks. These are set out in the table below.

	Measure	2020-21	2019-20
Adjusted Current Ratio	> 1.4	2.01	0.51
Education-specific EBITDA as % of adjusted income	> 6%	11.38%	6.22%
Borrowing as a % of income	< 35%	16.36%	18.91%
ESFA Financial Health Rating	Good or Outstanding	Outstanding	Requires Improvement
Adjusted operating surplus (as a % of income)	> 1%	4.40%	(1.63)%
Debt service cover ratio	> 2	12.07	2.64
Cash days in hand	> 25	98	47
Pay costs as a % of adjusted income	<65% (General FE College) <70% (Sixth Form College)	63.61%	69.06%

Quality of Provision

The College was subjected to an Ofsted Short Inspection Visit in December 2019, the outcome was that the College continues to be a Good provider (Grade 2).

The Inspectors made a judgement on a four-point scale:

1. Outstanding (Grade 1)
2. Good (Grade 2)
3. Requires Improvement (Grade 3)
4. Inadequate (Grade 4)

Quality of Provision (continued)

The inspection was conducted under the new Education Inspection Framework and focused on Quality of Education and Leadership & Management. All campuses and provision types were inspected: young people, adults, apprenticeships and high needs learners. Outcomes from the report highlight how far the College has travelled and praised the way leaders strive to ensure every student gains the very best possible outcomes.

The Corporation were pleased with the outcome of the Inspection Visit and the College continues to monitor progress against any recommendations made and ensure that high standards are maintained.

EQUALITY AND DIVERSITY

Equality

Salford City College is fully committed to ensuring and delivering equality of opportunity for all its students and staff. The College is committed to ensuring the elimination of all forms of unfair and illegal discrimination, as well as all forms of harassment and victimisation. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age.

The College's Single Equality Scheme is published on the College's website. The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College's Single Equality Scheme is reviewed each year and monitored by managers and the Corporation.

The College has developed and implemented a Single Equality Scheme and Action Plan which provides an overview in regard to how the College will meet its equality duty; how the College will handle any cases of harassment and unlawful discrimination; how policies, processes and plans will be monitored for adverse impact; how the overall practice and outcomes of the College will be monitored; and how action will be planned and delivered to address any concerns that are identified.

The Single Equality Scheme supports the monitoring of the protected characteristics of students and staff so that continuous improvement can be achieved. The College will continue to meet these duties through the ongoing development of the Single Equality Scheme and Action Plan.

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

The College is a 'Disability Confident Employer' and has committed to the principles and objectives of Disability Confident standard.

The College has a Wellbeing Strategy for Staff and continues to implement a variety of initiatives in support of staff mental and physical wellbeing.

The College provides Equality & Diversity training and refresher training to all staff on an ongoing basis.

The College publishes its annual gender pay gap report on the website.

Disability statement

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

1. Buildings are accessible (insofar as is practical), with ramps at each site to allow wheelchair access.
2. There is a list of specialist equipment, such as audio visual facilities, which the College can make available for use by students.
3. The College has separate admissions policies for further education (FE) and higher education (HE). These cover fair admission and the process in which to appeal an admissions decision.
4. The College has a number of Education Support Assistants and Student Support Assistants who provide a variety of support for students who have learning difficulties or disabilities.
5. Counselling and welfare support are available via our Student Services team. Both counselling and welfare appointments are available to 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.

Numbers of employees who were relevant union officials during the period	FTE employee number
6	5.78

Percentage of time	Number of employees
0%	0
1-50%	6
51-99%	0
100%	0

Total cost of facility time	£6,578
Total pay bill	£23,000,826
Percentage of total bill spent on facility time	0.029%

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

Going concern

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

The College has risen to the challenges in relation to the impact from the Covid-19 pandemic. 2020-21 has met with some challenges in terms of elements of reduced income and the renegotiation of loans, but the College has performed strongly and has significantly increased its cash balances. Following the College's temporary financial health rating for 2019-20 of 'Requires Improvement' due to the timing of loan refinancing arrangements, the College's performance in year allows for a financial health rating of 'Outstanding' for 2020-21, despite the Covid-19 pandemic.

Whilst catering and other commercial income has been significantly reduced in year due to periods of national lockdown, as well as reduced tuition fee income and adult education funding as delivery was impacted, this reduction has been more than offset by increased student income, both from significant over-recruitment of 16-19 students resulting in receipt of in-year growth funds from the ESFA, and receipt of the ESFA's 16-19 Tuition Fund. This has been further supported by savings in staff costs and other operating expenses compared to plan.

Going concern (continued)

Moving forward, the College has increased activity for the Core 16-18 funded students and, after consolidating the gains of 2020-21, is on a continual trajectory for growth in this area as it is meeting the requirements to improve quality, grow provision and work on efficiencies. The challenge of meeting growth in numbers created by the lagged funding methodology makes it more difficult to increase potential surpluses. A surplus excluding pension adjustment is planned as part of the 2021-22 budget, with the provision of a significant contingency.

Detailed work on the 2021-22 baseline budget and 2022-23 financial plan has been undertaken to ensure that the College is able to meet needs and serve the local community. Any repeat of lockdown and Covid-19 measures would impact on the College. Sensitivity analysis has been undertaken to identify how the College can address and manage this. There is a contingency built into the budget for the coming year alongside a surplus. In addition, mitigation plans have been proposed and there are actions which can be taken to reduce costs.

Despite no increase in the funding formula for 16-18 students, and even taking into consideration the potential in-year strain caused by the lagged funding model, the College is in a position to capitalise on its recent growth. A year of consolidation is expected in 2021-22 from both progressing and recruited students, and this is borne out in enrolment numbers. Early recruitment of 16-18 year olds on study programmes is showing that the College will meet its current targets, putting it in the position of a positive start to 2021-22. Further growth is then expected in 2022-23 in line with demographic trends.

The majority of other sources of income are reasonably secure. Adult courses funded by the Greater Manchester Combined Authority are at a similar level to the previous year, with some additional funds provided for late achievements. Loan funded courses are at a slightly reduced level, but this has been factored into the budget for 2021-22. The Higher Education market also remains extremely competitive which may impact on the number of students taking up their places at the College.

Apprenticeships have seen continued growth over the last year, and whilst conservative estimates remain in place for 2021-22, this income stream is expected to deliver. There are also other areas where income is likely to increase from prior year levels as the country emerges from the pandemic.

Cash balances are planned to remain at the current levels over the next two years, with balances remaining sufficient throughout the year, despite the cyclical low point in February and March linked to the ESFA payment profile. With the consolidation of the year's growth in the core source of income, the College is expected to continue on this trajectory.

Capital expenditure is at a conservative level to retain healthy cash balances. The College has sufficient space to accommodate the anticipated growth in numbers and whilst reconfiguration and updating of the estate will be progressed, it does not need to expand the estate. The focus is on ensuring it is meeting Health & Safety standards and running as efficiently as possible.

The continuing challenge to the College's financial position remains the constraint on further education funding, as well as inflationary pressures, whilst maintaining the student experience. This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Regular in year budget monitoring
- Robust financial controls
- Exploring ongoing procurement efficiencies

As a result, the Corporation considers that the College has adequate operational resources to continue existence for the foreseeable future.

OTHER INFORMATION

Salford Academy Trust

Salford City College was the sponsor for Salford Academy Trust along with its education partners, University of Salford and the local authority, Salford City Council. Salford Academy Trust was incorporated on 21 June 2012 as a company limited by guarantee. The Trust oversaw the conversion to Academy status of four schools since September 2012 – The Albion Academy, Marlborough Road Academy, Dukesgate Academy and Irlam and Cadishead College. The Salford Academy Trust is a related party of Salford City College and transactions with the Trust are included in Note 25. The Academies within the Trust transferred to the United Learning Trust on 1 February 2019. The Trustees are in the process of closing the Salford Academy Trust. Following transfer, the Trustees commenced a process of closure for Salford Academy Trust, with the Trust placed into solvent liquidation on 10th September 2021.

EVENTS AFTER THE REPORTING PERIOD

There are no significant post balance sheet events.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

A handwritten signature in dark ink, appearing to read 'J. Flynn', with a long horizontal stroke extending to the right.

J. Flynn
Chair

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 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);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance ("the Code"); and
- iii. having due regard to the 2018 edition of the UK Corporate Governance Code insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance. In carrying out its responsibilities, it takes full account of and complies with The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted in August 2015.

In the opinion of the members of the Corporation, the College complies with the provisions of the Code, and it has complied throughout the year ended 31 July 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.

We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider relevant to the further education sector and best practice.

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

Members of the Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed below:

Member	Date of appointment	Term of Office Ends	Role	Committee membership	Attendance
Jackie Flynn	Extended 14 Dec 2020	31 July 2023	Independent member	Chair of Corporation Strategy Finance and Resources (Chair) Quality and Standards Governance and Search (Vice Chair) Remuneration (Chair) Human Resources and Organisational Development	22/22
Charles Davies	Reappointed 14 Dec 2020	31 March 2025	Independent member	Human Resources and Organisational Development (Vice Chair) Strategy Finance and Resources	9/10
Paul Johnson	Reappointed 27 July 2020	31 July 2024	Independent member	Audit (Chair) Remuneration	12/14
Anthony Redmond	Extended 2 July 2018	31 July 2022	Independent member	Audit (to March 2021) Strategy, Finance & Resources from June 2021 Human Resources and Organisational Development (Chair) Remuneration	21/21
Prof. Carole Roberts	Extended 14 Dec 2020	31 July 2023	Independent member	Human Resources and Organisational Development Quality & Standards (Chair) Strategy Finance and Resources (Vice Chair) Remuneration (Vice Chair) Governance and Search	22/22
Michael Sharples	Extended 16 Dec 2019	31 Dec 2023	Independent member	Strategy Finance and Resources	7/8
Joe Eyres	1 August 2020	31 July 2021	Student	Quality and Standards	7/7
Michael Sheehan	Effective from 3 July 2017	Retired 31 December 2020	Group Principal	Human Resources and Organisational Development Governance and Search Quality and Standards Strategy Finance and Resources	2/2
Rebecca Parks	Effective from 12 th October 2021	n/a	Acting Principal	Human Resources and Organisational Development Governance and Search Quality and Standards Strategy Finance and Resources	15/15
Pat Walkington	Extended 14 Dec 2020	31 July 2023	Independent member	Vice Chair of Corporation Governance and Search (Chair) Human Resources and Organisational Development Remuneration Quality and Standards (Vice Chair) Audit (Vice Chair)	23/23
Paula Summersfield	16 Dec 2019	31 Dec 2023	Independent Member	Strategy, Finance & Resources	6/8
Shane Thompson	16 Dec 2019	31 Dec 2023	Independent Member	Strategy, Finance & Resources	5/8
Sally Kells	20 April 2020	20 April 2024	Independent Member	Audit Governance and Search	10/10
Amy Vaughan	1 August 2018	31 July 2022	Staff	Quality and Standards	8/8
Denise Hark is the current Clerk to the Corporation.					

Co-optees

The Corporation has also strategically appointed a number of Co-optees to serve on the committees most appropriate to their skills. Co-optees are not members of the Corporation and do not attend Corporation meetings.

Member	Date of appointment	Term of Office Ends	Role	Committee membership	Attendance
Cllr. John Walsh	26 March 2018	26 March 2022	Co-optee	Quality and Standards	1/3
James Hargreaves	23 Sept 2019	Resigned 31 July 2021	Co-optee	Strategy, Finance & Resources	1/3
Lucy Robinson	27 July 2020	27 July 2024	Co-optee	Audit Committee	4/4
Sam Butler	12 April 2021	11 April 2025	Co-optee	HR& OD Committee	0/0

The governance framework

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 such as health and safety and environmental issues. The Corporation meets at least once a 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 Strategy Finance & Resources, Human Resources & Organisational Development, Remuneration, Governance & Search, Quality & Standards and Audit. The full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website www.salfordcc.ac.uk or from the Clerk to the Corporation at the Corporation's registered address:

Salford City College
Pendleton College
Dronfield Road
Salford
M6 7FR

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 members of the Corporation 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 members in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

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

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

Covid-19 impact

All Corporation and committee meetings were held either in person or using video conferencing during the academic year 2020-21. The Emergency Planning Group which had been established in the previous year continued in operation and considered the College's re-opening plans and the implications of Covid-19 on the College.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for consideration of, and approval by, the Corporation as a whole. The Corporation has a Governance & Search Committee consisting of 6 members of the Corporation, which is responsible for interviewing and nominating new members for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are usually appointed for a term of office of four years in the first instance. The Corporation noted the AoC good practice guide recommendation that two periods of four years were the optimum. However, whilst noting this and broadly following this guidance, the Corporation ensures that the needs of the College are always put first. The need for consistency, coherence and experience are prime considerations. There has been a need to retain a number of very experienced governors over the past 6 years to maintain continuity and stability in light of the fact that there have been very significant changes in senior post-holders with 3 Principals, 3 Directors of Finance and 3 Clerks having been in post during this period. The College has been able to retain governors from all three of the original colleges which merged to form Salford City College Group, ensuring that the community it serves is represented.

Co-optees

The Corporation has appointed a number of Co-optees (4 at present to the Quality & Standards, Audit, Human Resources & Organisational Development and Strategy Finance & Resources respectively) who serve on the committees most appropriate to their skills. The Co-optees are not members of the Corporation, but are strategically appointed to strengthen specialist expertise in selected areas.

Corporation Performance

The Corporation carried out a Self-Assessment of its performance against a wide range of criteria for the year ended 31 July 2021. In line with the OFSTED criteria for Leadership and Management within the Education Inspection Framework, it assessed itself as Good. This assessment is in line with the OFSTED view of Leadership and Management undertaken during their inspection in December 2019. In addition, individual governor development interviews are held by the Chair each year to assess training and development needs and secure feedback on performance. The Chair's performance is evaluated by governors through a Chair's Evaluation Questionnaire (drawn up from AoC guidance) and the results are considered by the Corporation and validated by an external reviewer.

Remuneration Committee

In the year ending 31 July 2021, the College's Remuneration Committee membership comprised five members of the Corporation. The committee's responsibilities are to make recommendations to the Board on the appointment, and remuneration and benefits, of the Accounting Officer and other senior post-holders. Decisions on remuneration are made following consideration of comparative, and other pertinent data, including performance. The Corporation has not adopted the AOC's Senior Staff Remuneration code.

Details of remuneration for the year ended 31 July 2021 are set out in Note 8 to the financial statements.

Audit Committee

The Audit Committee is comprised of four members of the Corporation (excluding the Accounting Officer and Chair) and one Co-optee. The Committee operates in accordance with written terms of reference approved by the Corporation. The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

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

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

Audit Committee (continued)

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

The Audit Committee met on 4 occasions in the year to 31 July 2021. The members of the Audit Committee and their attendance records are shown below:

Committee Member	Meetings attended
Paul Johnson (Chair)	3/4
Pat Walkington	4/4
Tony Redmond	4/4
Sally Kells	4/4
Lucy Robinson (Co-optee)	4/4

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Group Principal & Chief Executive, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreement between Salford City College and the funding bodies. They are 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 Salford City College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

The risk and control framework (continued)

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

Covid-19 impact

In response to the pandemic, the Corporation established an Emergency Planning Group in the previous year, comprising the Chair of Corporation, the Chairs of all committees, the Group Principal & Chief Executive, and members of the senior leadership team. This Group reviewed the proposed arrangements being put in place by the Group Principal & Chief Executive and senior leadership team. It continued in operation in year, and considered the College's reopening plans and the implications of Covid-19 on the College. The Group will continue to operate whilst the pandemic and related risks remain.

Risks faced by the Corporation

The College has well-developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management. Individual risks identified are allocated to appropriate Corporation committees, and reviewed as part of the reporting processes.

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

The Audit Committee directs the work of the internal auditors, who develop their annual plan taking a risk-based approach, prior to submission to the Corporation for approval.

As a result of the significantly increased risk from the pandemic, additional action has been required, agreed and implemented to facilitate the reopening of the College in a Covid-19 safe environment. There is also additional oversight in relation to the risk of cyber attacks as the College is further dependent on the use of technology for blended and remote delivery.

Control weaknesses identified

The Corporation has not identified any significant internal control weaknesses, and no high priority recommendations or control risks were identified in the internal audits undertaken during the year.

Responsibilities under funding agreements

The Corporation has met regularly throughout the year and has ensured that its contractual responsibilities under its funding agreements and contracts with the ESFA and Greater Manchester Combined Authority have been met. Robust policies and standing operating procedures are in place to ensure compliance, which are regularly updated, monitored and approved by the Corporation.

The Office for Students (OfS) requirements have also been complied with. During the year the OfS normally require a Transparency return to be completed. However, this has been put on hold by the OfS due to the Covid-19 pandemic, and in its place the OfS have produced a reduced set of transparency information, drawing on available student data. Arrangements are in place for the completion of the return when it is required once more.

Statement from the Audit Committee

The Audit Committee has advised the Corporation that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2020-21 and up to the date of the approval of the financial statements are detailed below.

Internal audits

- ESFA Mock Funding
- Examinations
- HR and Payroll
- Key Financial Controls – Sales Ledger and Income
- Key Financial Controls – Purchase Ledger
- Curriculum Planning
- Follow-up of Previous Internal Recommendations

All of these audits were given substantial assurance, with no high-risk recommendations made.

Advisory reviews

- External Assurance of Sub-Contractors – this annual review is required for any sub-contracting activity.

Covid-19 impact

The planned internal audit review of the ESFA Funding was unable to be completed as a result of the lockdown. This was replaced by a Covid-19 specific advisory review. No internal audits were delayed or altered as a result of the pandemic, but have all been undertaken remotely as a result of the pandemic.

Review of effectiveness

As Accounting Officer, the Group Principal & Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. Their review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the senior leadership team within the College who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the College's financial statements auditors, the regularity auditors, and the appointed funding auditors in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of their 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 Group Principal & Chief Executive and senior leadership 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 Group Principal & Chief Executive and senior leadership 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 leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior leadership 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 13 December 2021 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'J. Flynn', with a long horizontal flourish extending to the right.

J. Flynn
Chair

A handwritten signature in dark ink, appearing to read 'R. Parks', with a stylized, cursive script.

R. Parks
Accounting Officer

Statement on Regularity, Propriety and Compliance

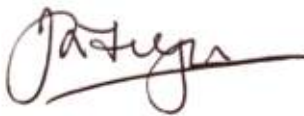
The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the Corporation's grant funding agreement and contracts with the ESFA. As part of our consideration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

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.

The Corporation ensures that there are adequate and effective arrangements in place to ensure public funds are managed appropriately, in line with the conditions of grant and the principles of regularity, propriety and value for money, and to protect the interests of taxpayers and other stakeholders. This is done by ensuring that the College operates within an agreed framework of policies and procedures which are reviewed and updated regularly.

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



J. Flynn
Chair



R Parks
Accounting Officer

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's Grant Funding Agreements and contracts with the ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the *2019 Statement of Recommended Practice – Accounting for Further and Higher Education* 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 College and the result for that year.

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

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


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

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

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

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

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



J. Flynn
Chair

Independent auditor's report to the Corporation of Salford City College for the year ended 31 July 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Salford City College (the 'College') for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021, and of its income and expenditure, gains and losses and changes in reserves, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction issued by the Office for Students ('the OfS Accounts Direction').

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of the following matters in relation to which the Regulatory Advice 9: Accounts Direction issued by the Office for Students requires us to report to you if, in our opinion:

- where applicable, funds from whatever source administered by the provider for specific purposes have not been properly applied to those purposes and managed in accordance with relevant legislation; or
- where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have not been applied in accordance with the relevant terms and conditions; or
- the requirements of the OfS's accounts direction have not been met; or
- the provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the College's expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of the Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation, 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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and with ISAs (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the College, the environment in which it operates and the control procedures implemented by management and the Corporation; and
- Our enquiries of management and the Corporation about their identification and assessment of the risks of irregularities.

Based on our understanding of the College and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the College's operations;
- Compliance with the Post-16 Audit Code of Practice 2020 to 2021;
- Compliance with the requirements of the Department for Education, Education & Skills Funding Agency and the Office for Students;
- Compliance with the requirements of the Office for Standards in Education; and
- Compliance with Coronavirus Job Retention Scheme.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Statement of Recommended Practice - Accounting for Further and Higher Education 2019 and the Post-16 Audit Code of Practice 2020 to 2021.

We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries; and
- Overstated Coronavirus Job Retention Scheme claims.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the College and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit committee, the internal auditors and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Department for Education, Education & Skills Funding Agency, the Office for Students and the Office for Standards in Education;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business; and
- Substantive testing of Coronavirus Job Retention Scheme claims

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

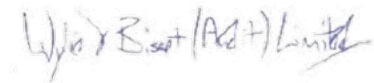
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by Education and Skills Funding Agency and our engagement letter.

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



Wylie & Bisset (Audit) Limited

Chartered Accountants

Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

Date: 13th December 2021

Reporting accountant's assurance report on regularity

To:

The Corporation of Salford City College and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 22nd September 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Salford City College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Salford City College and the reporting accountant

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

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

Approach

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

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

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

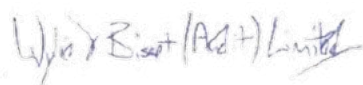
Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

Conclusion

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



Wylie & Bisset (Audit) Limited

Chartered Accountants

Statutory Auditors

168 Bath Street

Glasgow

G2 4TP

Date: 13 December 2021

Salford City College
Statement of Comprehensive Income

	Notes	Year ended 31 July	
		2021	2020
		£'000	£'000
INCOME			
Funding body grants	2	34,607	30,325
Tuition fees and education contracts	3	2,439	3,030
Other grants and contracts	4	923	761
Other income	5	567	903
Investment income	6	1	17
Donations and Endowments	7	255	-
Total income		38,792	35,036
EXPENDITURE			
Staff costs	8	25,831	24,135
Other operating expenses	9	9,773	9,468
Depreciation	12	3,186	2,927
Interest and other finance costs	10	658	673
Total expenditure		39,448	37,203
(Deficit) / Surplus before other gains, losses and tax		(656)	(2,168)
(Loss) / Gain on disposal of assets	12	-	-
(Deficit) / Surplus before tax		(656)	(2,168)
Taxation	11	-	-
(Deficit) / Surplus for the year		(656)	(2,168)
Actuarial (loss) / gain in respect of pension schemes	24	1,723	(7,851)
Total Comprehensive Income for the year		1,067	(10,019)
Represented by:			
Restricted Comprehensive Income		-	-
Unrestricted Comprehensive Income		1,067	(10,019)
		1,067	(10,019)

All items of income and expenditure relate to continuing activities.

The notes on pages 36 to 52 form part of these financial statements.

Salford City College
Statement of Changes in Reserves

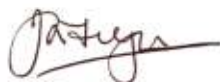
	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 August 2019	8,525	607	9,132
Surplus / (deficit) from the income and expenditure account	(2,168)	-	(2,168)
Other comprehensive income	(7,851)	-	(7,851)
Transfers between revaluation and income and expenditure reserves	32	(32)	-
Total comprehensive income for the year	(9,987)	(32)	(10,019)
Balance at 31 July 2020	(1,461)	574	(887)
Surplus / (deficit) from the income and expenditure account	(656)	-	(656)
Other comprehensive income	1,723	-	1,723
Transfers between revaluation and income and expenditure reserves	32	(32)	-
Total comprehensive income for the year	1,099	(32)	1,067
Balance at 31 July 2021	(363)	542	180

The notes on pages 36 to 52 form part of these financial statements.

Salford City College
Balance Sheet as at 31 July 2021

	Notes	2021 £'000	2020 £'000
Non current assets			
Tangible fixed assets	12	36,574	37,745
Investments	13	-	-
		<u>36,574</u>	<u>37,745</u>
Current assets			
Stocks		79	63
Trade and other receivables	14	769	655
Cash and cash equivalents	19	9,065	4,167
		<u>9,914</u>	<u>4,885</u>
Creditors – amounts falling due within one year	15	(5,646)	(10,077)
Net current assets / (liabilities)		<u>4,267</u>	<u>(5,192)</u>
Total assets less current liabilities		40,841	32,553
Creditors – amounts falling due after more than one year	16	(14,252)	(7,626)
Provisions			
Defined benefit obligations	18	(26,181)	(25,576)
Other provisions	18	(229)	(238)
Total net assets / (liabilities)		<u>180</u>	<u>(887)</u>
Unrestricted Reserves			
Income and expenditure account		(363)	(1,461)
Revaluation reserve		542	574
Total unrestricted reserves		<u>180</u>	<u>(887)</u>
Total reserves		<u>180</u>	<u>(887)</u>

The financial statements on pages 32 to 52 were approved and authorised for issue by the Corporation on 13 December 2021 and were signed on its behalf on that date by:



J. Flynn
Chair



R. Parks
Accounting Officer

The notes on pages 36 to 52 form part of these financial statements.

Salford City College
Statement of Cash Flows

	Notes	2021 £'000	2020 £'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		(656)	(2,167)
Adjustment for non-cash items			
Depreciation		3,186	2,927
(Increase) / decrease in stocks		(16)	17
(Increase) / decrease in debtors		(115)	149
Increase / (decrease) in creditors due within one year		1,391	(758)
Increase / (decrease) in creditors due after one year		848	(518)
Increase / (decrease) in provisions		(9)	15
Pensions costs less contributions payable		2,328	1,605
Adjustment for investing or financing activities			
Investment income		(1)	(17)
Interest payable		286	319
Net cash flow from operating activities		<u>7,241</u>	<u>1,572</u>
Cash flows from investing activities			
Investment income		1	17
Payments made to acquire fixed assets		(1,744)	(1,674)
Net cash flow from investing activities		<u>(1,743)</u>	<u>(1,657)</u>
Cash flows from financing activities			
Interest paid		(286)	(319)
Repayments of amounts borrowed		(314)	(276)
Net cash flow from financing activities		<u>(600)</u>	<u>(595)</u>
Increase / (decrease) in cash and cash equivalents in the year		<u>4,898</u>	<u>(681)</u>
Cash and cash equivalents at beginning of the year	19	4,167	4,848
Cash and cash equivalents at end of the year	19	9,065	4,167

The notes on pages 36 to 52 form part of these financial statements.

Salford City College Report and Financial Statements for the year ended 31 July 2021

Notes to the Accounts

1. Accounting policies

Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2020 to 2021, and in accordance with the Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The College had one subsidiary company, E4Jobs Limited, which was incorporated on 6 May 2011. E4Jobs Limited has not traded during the year and the prior year. The College has elected not to prepare consolidated financial statements on the basis that E4Jobs was dissolved on 17 November 2020, and the results of the subsidiary at 31 July 2021 and at 31 July 2020 are immaterial to the Group.

In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Annual Report of the Corporation. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The financial statements are prepared on a going concern basis notwithstanding that the College has reported a deficit of £656,000 for the year to 31 July 2021 (2020: £2,168,000), net cash inflow of £4,898,000 (2020: outflow of £681,000) and at 31 July 2021 has net assets of £180,000 (2020: net liabilities of £887,000).

Consideration has been given to the ongoing COVID-19 global pandemic and the potential effects on the financial position. The UK government has acknowledged that schools and colleges should remain open to provide high quality education. The College receives the majority of its income from UK government through recurrent funding, and in line with 2020-21, fully expects the funding to continue for at least twelve months. After significantly increased enrolment levels in 2020-21, current enrolments for the 2021-22 academic year are on target, and future year growth expectations are also increasing due to the progression of the College and the demographic changes due over the next five years.

The College currently has £6.2m of secured loans outstanding with bankers. The College has no overdraft facility, but does have £9.1m cash available as at July 2021. The College had two bank loan facilities, and the terms of the existing agreements are, at 31 July 2021:

- i. There is a £2,500,000 secured loan at a variable rate of 1.9% over base rate repayable over 5 years, but with a ten-year payment profile, by quarterly instalments falling due between June 2021 and March 2026. This loan was refinanced during 2020-21, as the previous 5-year loan period ended in March 2021, and to reflect the allocation of security to the bank, as well as an updated set of covenants. The balance outstanding was £2,443,000.

Salford City College Report and Financial Statements for the year ended 31 July 2021

Notes to the Accounts (continued)

Going concern (continued)

- ii. There is also a £5,375,000 secured loan at a fixed rate of 5.367% for the full 25-year term of the loan, repayable by quarterly instalments falling due between August 2009 and May 2034. The College renegotiated a contract variation in year, to reflect the allocation of security to the bank, as well as an updated set of covenants. The balance outstanding was £3,768,000.

The Corporation has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Corporation is of the opinion that, taking account of potential downsides and mitigations, including the potential ongoing impact of COVID-19, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

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

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

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants, and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

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

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

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

Capital grant funding

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

Fee income

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

Salford City College Report and Financial Statements for the year ended 31 July 2021

Notes to the Accounts (continued)

Recognition of income (continued)

Investment income

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

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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

Greater Manchester Local Government Pension Scheme (LGPS)

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

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

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

Short term Employment benefits

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

Enhanced pensions

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

Salford City College Report and Financial Statements for the year ended 31 July 2021

Notes to the Accounts (continued)

Non-current assets – Tangible fixed assets

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

Land and buildings

Land and buildings inherited from the Local Education Authority (LEA) are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. In compliance with relevant accounting standards, the buildings inherited from the local authority are depreciated over the remainder of their useful economic life. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years.

Capitalised expenditure on buildings since incorporation is classified as property improvements. Property improvements are depreciated on a straight-line basis over their expected useful economic life to the College of between 10 and 50 years.

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

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to the income and expenditure in the period it is incurred, unless it meets one of the criteria detailed below, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as revenue expenditure in the year of acquisition, unless it is of significant operating value to the College in which case the asset is recorded in the College's asset register and depreciated over its useful economic life. All equipment with a cost in excess of £1,000 is capitalised at cost.

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

- General and technical equipment – between 5 and 10 years
- Motor vehicles – between 5 and 10 years
- Computer equipment – 5 years
- Fixtures and fittings – between 5 and 10 years.

Salford City College Report and Financial Statements for the year ended 31 July 2021

Notes to the Accounts (continued)

Non-current assets – Tangible fixed assets (continued)

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

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

Borrowing costs

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

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

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

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

Investments in subsidiaries

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

Stocks

Stocks are stated at the lower of their cost (using the first in first out method) and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Cash and cash equivalents

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

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

Salford City College Report and Financial Statements for the year ended 31 July 2021

Notes to the Accounts (continued)

Financial liabilities and equity

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

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The College's subsidiary company, dissolved on 17th November 2020, was subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

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

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

Salford City College Report and Financial Statements for the year ended 31 July 2021

Notes to the Accounts (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 24, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value 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.

**Salford City College Report and Financial Statements
for the year ended 31 July 2021**

Notes to the Accounts (continued)

2 Funding body grants

	2021 £'000	2020 £'000
Recurrent grants		
Education and Skills Funding Agency – Adult Education Budget	13	134
Education and Skills Funding Agency – 16-18	23,084	19,902
Education and Skills Funding Agency – Apprenticeships	2,989	2,679
Greater Manchester Combined Authority – Adult Education Budget	5,961	6,128
Office for Students	151	144
Specific grants		
Education and Skills Funding Agency – Covid-19 additional funding:		
16-19 Tuition Fund	497	-
High value courses for school and college leavers	12	-
Covid-19 mass testing funding	18	-
Greater Manchester Combined Authority – Covid-19 related funding	50	-
Teacher Pension Scheme contribution grant	747	609
Other Education and Skills Funding Agency grants	276	-
Higher Education grants	241	207
Releases of government capital grants	568	522
Total	34,607	30,325

The Corporation was not in receipt of any provider release scheme funding from the ESFA.

Office for Students (OFS) registered colleges are required to include a note analysing grant and fee income received in a single additional table. OFS' requirements overlap with the existing structure of Education and Skills Funding Agency's (ESFA) finance record. An additional table is provided with the required analysis. As OFS only regulates higher education in colleges, only amounts relating to courses at level 4 and above are recorded here.

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 16-19 Tuition Fund covered costs of £520,797 in 2020-21.

	2021 £'000	2020 £'000
Grant income from the Office for Students	392	351
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	1,578	1,835
Fee income for research awards (inclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	-	-
Total HE grant and fee income	1,970	2,186

3 Tuition fees and education contracts

	2021 £'000	2020 £'000
Adult education fees	97	215
Apprenticeship fees and contracts	118	47
Fees for FE loan supported courses	381	483
Fees for HE loan supported courses	446	610
Total tuition fees	1,042	1,355
Education contracts	1,397	1,675
Total	2,439	3,030

4 Other grants and contracts

	2021 £'000	2020 £'000
Coronavirus Job Retention Scheme grant	80	143
Additional Learning Support Element 3	842	600
Other grants and contracts	-	18
Total	923	761

Following the temporary closure of commercial operations, the Corporation furloughed catering staff and other staff supporting commercial activities under the Government's Coronavirus Job Retention Scheme. The funding received in respect of 40 members of staff of £80,350 relates to staff costs, which are included within the staff costs note below as appropriate.

5 Other Income

	2021 £'000	2020 £'000
Catering	302	670
Other income generating activities	158	188
Miscellaneous income	107	45
Total	567	903

6 Investment income

	2021 £'000	2020 £'000
Other interest receivable	1	17
Total	1	17

7 Donations

	2021 £'000	2020 £'000
Unrestricted donations	255	-
Total	255	-

The College recognised an unrestricted donation of £254,500 from the DfE in relation to laptops and iPads to support disadvantaged learners to access remote learning during the Covid-19 pandemic.

Notes to the Accounts (continued)

8 Staff costs

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

	2021 No.	2020 No.
Teaching staff	312	256
Non-teaching staff	221	270
	533	526

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

	2021 No.	2020 No.
Teaching staff	358	286
Non-teaching staff	333	443
	691	729

Staff costs for the above persons

	2021 £'000	2020 £'000
Wages and salaries	18,018	17,251
Increase / (release) of holiday pay accrual	21	40
Social security costs	1,801	1,712
Other pension costs (incl. FRS102(28.11) adjustments £1,956k (2020: £1,251k))	5,745	4,703
Payroll sub total	25,584	23,706
Contracted out staffing services	157	260
	25,741	23,966
Restructuring costs – Contractual	90	165
Total staff costs	25,831	24,135

The Corporation also makes available to staff salary sacrifice schemes for childcare vouchers, Ride to Work and Home Technology. Staff costs are recorded at the full gross value before the deduction of the salary sacrifice.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team (SLT), which comprises: the Group Principal & Chief Executive (until 31 December 2020), Deputy Principal (until 11 October 2020, and then Acting Principal from 12 October 2020), Chief Financial Officer, Vice Principal (Academic), Vice Principal (Welfare, Safeguarding & Pastoral Care), Vice Principal (Central Services), Director of Apprenticeships & Business Development, Director of Operations Management, and Director of Human Resources. Roles and responsibilities of SLT were reviewed as part of the development of the College's post-Covid strategic plan. A restructure took effect from 1 June 2021 to reflect this, and the members of SLT did not change as a result.

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

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

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	9	9

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

	Key management personnel		Other staff	
	2021 No.	2020 No.	2021 No.	2020 No.
£25,001 to £30,000		1 *		
£40,001 to £45,000			1 ****	
£50,001 to £55,000			1 ****	
£55,001 to £60,000		1	2 ****	
£60,001 to £65,000	2 ***		4	
£65,001 to £70,000	3	4	2	1
£70,001 to £75,000	2	1		
£75,001 to £80,000		1 **		
£80,001 to £85,000	1			
£85,001 to £90,000				
£90,001 to £95,000	1			
£140,001 to £145,000		1		
	9	9	10	1

* represents the pro rata salary of a senior postholder appointed part way through the year (full year salary equivalent within the £80,001 to £85,000 range)

** includes a payment in lieu of holidays not taken by a senior postholder appointed (full year salary equivalent within the £70,001 to £75,000 range)

*** includes the pro rata salary, including a payment in lieu of holidays not taken, of the Group Principal & Chief Executive leaving part way through the year (full year salary equivalent within)

**** represents the pro rata salary for newly appointed Heads of Centre as part of the College's academic management restructure (full time equivalent within £60,001 to £65,000 range)

Notes to the Accounts (continued)

8 Staff costs (continued)

Key management personnel compensation is made up as follows:

	2021 £'000	2020 £'000
Basic salary	653	652
Performance related pay and bonus	-	-
Compensation for loss of office	-	-
Employer's National Insurance	80	80
Benefits in kind	-	-
Pension contributions	143	121
Total key management personnel compensation	876	853

There were no compensation payments made to key management personnel in 2020-21 (2019-20: £nil).

There were no emolument amounts due to key management personnel that were waived in 2020-21 or 2019-20. With regard to salary sacrifice arrangements, one member of key management personnel used the Childcare Voucher Scheme.

There has been more than one Accounting Officer at the College during 2020-21. The Group Principal & Chief Executive received emoluments 1 August - 31 December 2020 and was the Accounting Officer from 1 August - 11 October 2020. The Deputy Principal became the Acting Principal and Accounting Officer on 12 October 2020 and has been the highest paid member of staff during the year. The Acting Principal remained on the Deputy Principal salary for the duration of the financial year. Their pay and remuneration is as follows:

	2021 Group Principal & Chief Executive (emoluments for 1 Aug 2020 - 31 Dec 2020) £'000	2021 Acting Principal and highest paid member of staff (emoluments for 1 Aug 2020 - 31 Jul 2021) £'000	2021 Total £'000	2020 Group Principal & Chief Executive (emoluments for full year) £'000
Basic salary	64	92	156	145
Performance related pay and bonus	-	-	-	-
Employer's National Insurance	8	12	20	19
Other including benefits in kind	-	-	-	-
Pension contributions	14	22	36	14
	87	125	212	178

There are no other remuneration payments to the Head of Provider, including no payments in lieu of pension contributions.

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

The remuneration package of Senior Post Holders, namely the Group Principal & Chief Executive, Chief Financial Officer, and Deputy Principal, are subject to annual review by the Remuneration Committee of the governing body who justify the remuneration on the grounds of performance and using benchmarking information to provide objective guidance. The Group Principal & Chief Executive reports to the Chair of the Corporation who oversees an annual review of performance against the College's overall objectives using both qualitative and quantitative measures of performance. The Remuneration Committee assesses the Corporation's performance against targets and objectives, including the attainment of students in the year, as well as the progress against the College's long term strategic objectives when reviewing the remuneration package of the Senior Post Holders. Qualitative measures of success, such as level of engagement of the staff and students are also considered.

The remuneration package of other key management staff is subject to annual review and approval by the Group Principal & Chief Executive, who justifies the remuneration on the grounds of performance against the College's overall objectives using both qualitative and quantitative measures of performance.

The level of pay for all key management personnel is benchmarked against the pay of similar colleges in the prior financial year, taken from their financial statements, and the general trend within the sector is also considered.

Roles and responsibilities of SLT were reviewed as part of the development of the College's post-Covid strategic plan. A restructure took effect from 1 June 2021 to reflect this, and the members of SLT did not change as a result. The restructure was approved by Remuneration Committee and subsequently Corporation for the Senior Postholders and by Corporation for

In 2020-21, the Corporation exceeded its aims and objectives, including for staff satisfaction, student numbers and student achievement. An inflationary pay increase of 1.25% was awarded to all staff, including key management personnel.

Relationship of highest paid member of staff's pay and remuneration expressed as a multiple:

	2021	2020
Group Principal & Chief Executive's basic salary as a multiple of the median of all staff, where the median pay is calculated on a full time equivalent basis for the salaries paid by the provider to its staff	3.3	5.1
Group Principal & Chief Executive's total remuneration as a multiple of the median of all staff, where the median pay is calculated on a full time equivalent basis for the salaries paid by the provider to its staff	3.4	5.1

Compensation for loss of office paid to former key management personnel and other higher paid staff

	2021 £	2020 £
Compensation paid to the former post-holder	10	-
Estimated value of other benefits, including provisions for pension benefits	-	-

The Accounting Officer did not receive any severance payments or compensation for loss of office in 2020-21 (2019-20: none).

No member of key management personnel received any severance payments or compensation for loss of office in 2020-21 (2019-20: none).

One member of higher paid staff received compensation for loss of office in 2020-21 (2019-20: none). The severance payment was approved by the College's SLT and reported to Corporation.

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

Notes to the Accounts (continued)

9 Other operating expenses

	2021 £'000	2020 £'000
Teaching costs	2,014	2,584
Non-teaching costs	4,327	4,386
Premises costs	3,432	2,498
Total	9,773	9,468

Other operating expenses include:

	2021 £'000	2020 £'000
Auditors' remuneration:		
Financial statements audit *	35	46
Other services provided by financial statements auditor **	2	2
Internal audit fees:		
SubContracting Assurance Report	13	15
Other services provided by the internal auditors ***	1	2
	-	1
Payments to Subcontractors	1,142	1,886
Depreciation ****	3,186	2,927
Hire of assets under operating leases	638	672

* This amount includes an estimate of £4,200 provided by the College's External Auditors for the new Funding Audit. This is a new requirement for 2020-21, and the actual charge may reduce if the amount of time taken to complete is less than has been estimated. In addition, a late charge of £8,100k in relation to the 2019-20 financial statements audit has been incurred in 2020-21.

** Fees incurred in relation to the Access & Participation Audit and the Teachers' Pension Audit

*** Fees incurred in relation to an additional ad hoc report on specific issues in 2019-20

**** Includes £254,500 in respect of the unrestricted donation of laptops and iPads from the DfE, which have been depreciated in full in-year (see Note 7).

9a Access and participation spending

OfS registered colleges with access and participation plans are required to disclose spending in up to four categories in a separate note:

	2021 £'000	2020 £'000
- Access investment	38,833	39,307
- Financial support to students	17,150	21,734
- Disability Support	3,700	1,400
- Research and evaluation (relating to access and participation)	37,496	2,041

Judgements and Assumptions

Access and participation costs have been identified as relating to specific parts of the plan (available on the College's website at salford.ac.uk/access-and-participation) and have been reviewed by management as part of the annual budget review. The review ensures that the spend is in line with forecasted spend and that it can clearly be identified that those students needing the most support have been in receipt of that. The bulk of the spend will always be attributed to the activities to reach potential students to support our engagement with them.

The costs in these categories are very distinct. All events, taster sessions, marketing, publications and sessions with HE student support staff are to enhance awareness of courses to students from underrepresented groups and classed as "Access investment". Due to the pandemic we have had fewer opportunities to conduct in person activities to support widening access to Higher Education and have instead focused on virtual sessions and other promotional activities. Additional time has also been devoted to the management of the activities to support the APP and to review and evaluate the performance and success of such activities.

All monies paid directly to students, such as bursaries or one off hardship payments are directly related to the "financial support" category. Any financial support to disabled students, or adjustments made in the University Centre, or learning supports costs would be directly attributable to "support for disabled students" and finally "research and evaluation" costs will be attributed to the time spent by a range of management hours in reviewing the plan and evaluation of its effectiveness.

Staff costs are apportioned on the basis of 1% of the total gross pay for several staff, and the full cost for the HE and Access Support Officer. This is confirmed by line managers and senior managers in line with their role and responsibilities to the APP.

10 Interest payable and other finance costs

	2021 £'000	2020 £'000
On bank loans, overdrafts and other loans	286	319
On finance leases	-	-
Net interest on defined pension liability (Note 24)	372	354
Total	658	673

11 Taxation

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

Notes to the Accounts (continued)

12 Tangible fixed assets

	Freehold Land and Buildings	Property Improvements	Fixtures & Fittings	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 August 2020	36,724	17,040	1,474	3,526	107	58,872
Assets under construction transferred		8	1	11	(20)	-
Additions		1,469	70	560	(84)	2,015
Disposals						-
Disposals – fully depreciated assets						-
At 31 July 2021	36,724	18,517	1,545	4,097	4	60,887
Depreciation						
At 1 August 2020	11,450	6,679	592	2,407	-	21,127
Charge for the year	761	1,349	146	930		3,186
Disposals						-
Disposals – fully depreciated assets						-
At 31 July 2021	12,210	8,028	738	3,337	-	24,313
Net book value at 31 July 2021	24,513	10,489	808	760	4	36,574
Net book value at 31 July 2020	25,274	10,362	882	1,119	107	37,745

Other tangible fixed assets inherited from the Local Education Authority at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice.

There are no assets held under finance leases.

13 Non-current investments

	2021 £'000	2020 £'000
Investment in subsidiary companies	-	-
Total	-	-

The College owned 100% of the issued ordinary £1 shares of E4Jobs Limited, a company incorporated in England and Wales. E4Jobs Limited was incorporated on 6 May 2011, the principal activity being apprenticeship training. E4Jobs Limited experienced no trading during the year and the College made one payment of £8 in respect of a filing fee for E4Jobs in the year (2019-20: cost of £163 for a filing fee and penalty charge). As the company had not traded for some years, an application was made to Companies House to dissolve the company. The company was dissolved on 17 November 2020 and a set of accounts for the period ending 17 November 2020 was submitted to HMRC in April 2021.

14 Trade and other receivables

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade receivables	113	178
Related party debtors (Note 25)	-	3
Prepayments and accrued income	398	350
Amounts owed by the ESFA	258	125
Total	769	655

15 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans (Note 17)	434	6,526
Payments received in advance	303	207
Trade payables	774	601
Other taxation and social security	436	396
Accruals and deferred income	1,774	1,358
Holiday pay accrual	74	54
Deferred income – government capital grants	632	519
Fixed asset creditor	281	10
Other creditors	431	385
Amounts owed to the ESFA	506	20
Total	5,646	10,077

16 Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Bank loans (Note 17)	5,778	-
Deferred income – government capital grants	8,474	7,626
Total	14,252	7,626

Notes to the Accounts (continued)

17 Maturity of debt

(a) Bank loans

Bank loans are repayable as follows:

	2021 £'000	2020 £'000
In one year or less	434	6,526
Between one and two years	452	-
Between two and five years	2,708	-
In five years or more	2,618	-
Total	6,212	6,526

At 31 July 2021, the College had two bank loan facilities, each repayable in quarterly instalments:

(i) A £2.5m secured loan at a variable interest rate of Base Rate plus 1.9%. The loan is for 5 years from March 2021, with a 10-year payment profile. This loan was refinanced during 2020-21, thus moving the liability from short term to long term in year.

(ii) A £5.375m secured loan at a fixed rate of 5.367%. The loan is repayable over 25 years from May 2009 to May 2034.

(b) Finance leases

The College does not have any finance lease obligations.

18 Provisions

	Defined benefit £'000	Enhanced £'000	Total £'000
At 1 August 2020	25,576	238	25,814
Expenditure in the period	(1,327)	(17)	(1,344)
Additions in period	1,932	7	1,939
At 31 July 2021	26,181	229	26,410

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 24.

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

The principal assumptions for this calculation are:

	2021	2020
Price inflation	2.85%	2.20%
Discount rate	1.60%	1.40%

19 Cash and cash equivalents

	At 1 August 2020 £'000	Cash flows £'000	At 31 July 2021 £'000
Cash and cash equivalents	4,167	4,898	9,065
Bank overdraft	-	-	-
Total	4,167	4,898	9,065

20 Capital commitments

	2021 £'000	2020 £'000
Commitments contracted for at 31 July	145	111

21 Lease obligations

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

	2021 £'000	2020 £'000
Future minimum lease payments due:		
Land and buildings		
Not later than one year	534	572
Later than one year not later than five years	1,843	2,162
Later than five years	12,757	13,112
	15,133	15,846
Other		
Not later than one year	104	63
Later than one year not later than five years	132	6
Later than five years	-	-
	235	69
Total lease payments due	15,369	15,915

22 Contingencies

A former employee has issued employment tribunal proceedings against the College in respect of dismissal in 2020-21, claiming disability discrimination. The College's legal advisers assert that the claim is out of time and are assisting with our initial response, however this will be a decision for the Employment Tribunal. At this stage, the level of financial claim has not been put forward by the Claimant. However, should the matter progress Aviva have advised that the College would be liable for the first £15,000 of any potential award. In a view of the uncertainty and level of claim, no financial provision has been made in these accounts in relation to this matter.

23 Events after the reporting period

There are no events after the reporting period.

Notes to the Accounts (continued)

24 Defined benefit obligations

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 Greater Manchester Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Council. Both are multi-employer defined-benefit plans.

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

Total pension cost for the year	2021 £'000	2020 £'000
Teachers' Pension Scheme: contributions paid	2,465	2,241
Local Government Pension Scheme:		
Contributions paid	1,322	1,179
FRS 102 (28) change	1,956	1,251
Charge to the Statement of Comprehensive Income	3,278	2,430
Enhanced pension charge to Statement of Comprehensive Income	3	32
Total Pension Cost for Year within staff costs	5,745	4,703

At 31 July 2021, there was £433k outstanding employer's contributions due to the two schemes (£284k TPS and £150k GMPPF) which were both paid over in August 2020 (2019-20: £298k - £193k TPS and £105k GMPPF).

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education [the Department] in April 2019.

The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay (including the administration levy of 0.08%) from September 2019 onwards (compared to 16.48% during 2018-19). The Department has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

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

The pension costs paid to TPS in the year amounted to £3,456,886 (2019-20: £3,141,000).

FRS 102 (28)

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

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

Notes to the Accounts (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with assets held in separate funds administered by Tameside Local Authority. The total contributions made for the year ended 31 July 2021 was £1,734,018 of which employer's contributions totalled £1,321,691 and employees' contributions totalled £412,327. The agreed contribution rates for future years are 20.7% for employers, and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Principal Actuarial Assumptions

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

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	3.60%	3.00%
Future pensions increases	2.85%	2.20%
Discount rate for scheme liabilities	1.60%	1.40%
Inflation assumption (CPI)	2.85%	2.20%
Commutation of pensions to lump sums	55.00%	55.00%

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

	At 31 July 2021	At 31 July 2020
Retiring today		
Males	20.5	20.5
Females	23.3	23.1
Retiring in 20 years		
Males	21.9	21.0
Females	25.3	25.0

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

	Long-term rate of return expected at 31 July 2021	Fair Value at 31 July 2021	Long-term rate of return expected at 31 July 2020	Fair Value at 31 July 2020
		£'000		£'000
Equities	71.0%	38,561	67.0%	29,728
Bonds	15.0%	8,147	18.0%	7,987
Property	6.0%	3,259	7.0%	3,106
Cash	8.0%	4,345	8.0%	3,550
Total fair value of plan assets		54,311		44,370
Weighted average expected long term rate of return	1.6%		1.4%	
Actual return on plan assets		9,267		(2,602)

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

	2021 £'000	2020 £'000
Fair value of plan assets	54,311	44,370
Present value of plan liabilities	(80,492)	(69,946)
Net pensions (liability) / asset	(26,181)	(25,576)

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

	2021 £'000	2020 £'000
Amounts included in staff costs		
Current service cost	3,283	2,613
Past service cost	-	(189)
Total	3,283	2,424

Amounts included in interest payable

	2021 £'000	2020 £'000
Net interest on defined pension liability	(372)	(354)
	(372)	(354)

Notes to the Accounts (continued)

24 Defined benefit obligations (continued)

Amounts recognised in Other Comprehensive Income	2021	2020
	£'000	£'000
Return on pension plan assets	8,642	(3,585)
Experience gains / (losses) arising on defined benefit obligations	1,012	4,380
Changes in assumptions underlying the present value of plan liabilities	(7,931)	(8,646)
Amount recognised in Other Comprehensive Income	1,723	(7,851)
Movement in net defined benefit (liability) / asset during the year	2021	2020
	£'000	£'000
Net defined (liability) / asset in scheme at 1 August	(25,576)	(16,120)
Movement in the year:		
Current service cost	(3,283)	(2,613)
Employer contributions	1,327	1,173
Past service costs	-	189
Net interest on the defined liability	(372)	(354)
Actuarial gain or loss	1,723	(7,851)
Net defined benefit (liability) / asset at 31 July	(26,181)	(25,576)
Asset and Liability Reconciliation	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	69,946	62,572
Current service cost	3,283	2,613
Interest cost	997	1,337
Contributions by Scheme participants	411	376
Experience (gains) and losses on defined benefit obligations	(1,012)	(4,380)
Changes in financial assumptions	7,931	8,646
Estimated benefits paid	(1,064)	(1,029)
Past service costs	-	(189)
Curtailments and settlements	-	-
Defined benefit obligations at end of period	80,492	69,946
Changes in fair value of plan assets	2021	2020
	£'000	£'000
Fair value of plan assets at start of period	44,370	46,452
Return on plan assets	8,642	(3,585)
Interest on plan assets	625	983
Employer contributions	1,327	1,173
Contributions by Scheme participants	411	376
Estimated benefits paid	(1,064)	(1,029)
Fair value of plan assets at end of period	54,311	46,370

These accounts show a past service cost of £230 million in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is just under 2% of the total scheme liability as at 31 July 2020. The calculation of adjustment to past service costs, £7 billion, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.

Notes to the Accounts (continued)

25 Related party transactions

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

There were no expenses paid to or on behalf of the Governors during the year (2019-20: £nil).

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2019-20: None).

Salford Academy Trust

Salford City College was the sponsor of Salford Academy Trust. Salford Academy Trust comprises of the Albion Academy, Marlborough Road Academy, Dukesgate Academy and Irlam and Cadishead College. The Academies within the Trust transferred to the United Learning Trust on 1 February 2019. Following transfer, a process of closure was enacted for the Salford Academy Trust, with the Trust placed into solvent liquidation on 10th September 2021. The College paid a sum of £13 in respect of a subscription on behalf of the Trust in 2020-21 which was recharged to the Trust (2019-20: £2,544 paid and also recharged to the Trust). There were no sales to the individual academies within the Trust during the year (2019-20: £nil). There was no balance owing to the College at 31 July 2021 (2019-20: £2,544). The following employees of Salford City College were directors of Salford Academy Trust:

	Salford City College	Salford Academy Trust
Michael J Sheehan	Group Principal	Chair (resigned 31 December 2020)
Tracy Kitchingman	Vice Principal (Finance and Resources)	Director (resigned 23 August 2019)
Kimberley Cash	Vice Principal (Welfare, Safeguarding & Pastoral Care)	Director (commenced 10 October 2015)
Ruth Osbourne-Thompson	Vice Principal (Central Services)	Director (commenced 7 February 2018)

E4Jobs Limited

E4Jobs Limited was a wholly owned subsidiary of Salford City College. The College made one payment of £8 on behalf of E4Jobs Limited in the year (2019-20: £163). No balances were written off during the year (2019-20: £2,861, relating to an application to Companies House to dissolve the company). The company was dissolved on 17 November 2020.

26 Amounts disbursed as agent

Learner support funds

	2021 £'000	2020 £'000
16-18 bursary grants	851	707
Other funding body grants	68	97
	<u>918</u>	<u>804</u>
Deferred income carried forward from previous year	28	71
Disbursed to students	(547)	(1,063)
Administration costs	(36)	(30)
Other expenditure in line with grant conditions	(26)	
Released from Free School Meals		247
	<u>338</u>	<u>28</u>
Balance unspent as at 31 July, included in creditors		

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.