



Financial Statements for the Year Ended 31 July 2020

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Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Members Report

NATURE, OBJECTIVES AND STRATEGIES:

The members present their report and the audited Financial Statements for the year ended 31 July 2020.

Legal status

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

Mission

The College reviewed the mission of the College during 2016/17 and in January 2017 adopted a revised purpose statement as follows:

"To provide an exceptional learning experience for all of our students, raising their aspirations and improving their achievements so that they can enjoy a level of success in later life that realises their highest ambitions".

Public Benefit

The College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in 2016 is regulated by the Secretary of State for Education for Sixth Form Colleges. The members of the Governing Body, who are trustees of the charity, are disclosed on page 16.

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

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

- High quality teaching
- Tackling social exclusion
- Excellent record of facilitating progression to higher education, further training and employment
- Excellent pastoral support for students
- Work related placements and links with employers
- Links with Local Enterprise Partnerships (LEP's)

Implementation of strategic plan

The College chooses to update the strategic plan on a rolling basis and the latest update covering the period 2016 to 2019 was issued in January 2017. The College was in the process of finalising a new Strategic Plan until COVID19 forced the College to lockdown and the ability to undertake workshops for obtaining the views of all stakeholders. It has been decided that the existing Plan will be extended until 2021 with the same objectives.

The College's current strategic ambitions are:

1. **The Academic Achievements and success of Our Students-to be highly ambitious for all of our students and prioritise their success so that they achieve the highest standards academically, making significant progress throughout their time with us:**
 - 1a To exceed the national averages for achievement rates across all ages, levels and provision types
 - 1b To ensure that all of our students make outstanding levels of progress, based on their starting points on entry to the College
 - 1c To ensure that levels of student attendance, punctuality, behaviour, progression and satisfaction are excellent for all students and indicative of a first-class institution

**Financial Statements for the Year ended 31 July 2020
Members Report (Continued)**

NATURE, OBJECTIVES AND STRATEGIES (continued)

Implementation of strategic plan (continued)

- 2. The Learning Experience of Our Students-to ensure that our students benefit from an exceptional learning experience that excites, inspires and broadens their minds both in the classroom and beyond:**
 - 2a To recruit and develop highly talented teachers that have high aspirations for all of our students, are dedicated to their success and are committed to continuous improvement through professional development
 - 2b To ensure that all of our students benefit from a wide range of stimulating extra-curricular opportunities and projects that develop their personal, social and work-related skills effectively
 - 2c To ensure that our students benefit from outstanding resources, technologies, facilities and accommodation that promotes excellence in learning
- 3. The Support & Development of Our Students-to ensure that all of our students are supported to develop into confident and responsible citizens who believe in their own ability to do well in later life and who are respectful of the diverse societies in which we live:**
 - 3a To ensure that the self-belief and aspirations of all of our students are raised through high quality academic and pastoral guidance throughout their time with us
 - 3b To ensure that all of our students are supported expertly to be ambitious in determining their next steps towards their chosen university courses and future careers
 - 3c To ensure that our students grow and develop during their time with us, so that they hold the values that prepare them well for life in modern Britain and flourish in a diverse, interconnected world
- 4. The Reputation and Recognition of the College-to position the College as a nationally recognized Sixth Form College that attracts an increasing number of students each year, is a highly desirable place to work and captures the interests of a wide range of partners with whom we will collaborate:**
 - 4a To ensure that our marketing activity and our excellent reputation results in year-on-year increases in the school leavers we recruit up to the full capacity of approximately 2,250
 - 4b To ensure that we recruit and retain the very best staff at all levels to work at the College because of high levels job satisfaction and the career-enhancing opportunities and professional development on offer
 - 4c To ensure that we collaborate with and establish partnerships with other educational establishments, businesses and organisations that can make a positive contribution to the opportunities on offer to our students and can benefit the College in terms of its success, its finances and its reputation
- 5. The College and its Resources-to manage our resources and finances expertly so that we can continue grow and develop as a College, always seeking opportunities for improvement amidst the challenges facing the sector now and in the future:**
 - 5a To retain a broad and comprehensive curriculum offer at a range of levels for school leavers and to be innovative in the development of our provision for 19+ learners so that all students can reach their potential in later life
 - 5b To maintain excellent financial health through efficient financial management, well-considered diversification of income streams and carefully planned investment opportunities
 - 5c To ensure that all support areas of the College provide an exemplary service and are driven by a firm understanding of their role in supporting an ambitious student-focussed culture

The College is on target to achieve all of the strategic objectives by 31 December 2020. The Principals Report to each Corporation meeting addresses progress against all of the individual objectives.

**Financial Statements for the Year ended 31 July 2020
Members Report (continued)****NATURE, OBJECTIVES AND STRATEGIES (continued)****Financial objectives**

The College's financial objectives are:

- to achieve a minimum 5% EBITDA of income operating surplus in 2019/20 and 2020/21 in order to support the implementation of the Building Condition Survey and to provide sufficient resources to tackle COVID for both staff and students
- to provide sufficient financial resources to maintain OfSTED outstanding grade achieved in November 2017 by achieving a positive operating cash-flow
- to ensure that the College controlled Sports Centre achieves a minimum break-even outturn in 2019/20 and thereafter
- to investigate options for securing additional teaching and social space as the College nears maximum capacity and ensure that the College has sufficient cash reserves to implement any proposals
- to ensure that sufficient teaching support resources are available to assist the teaching staff in delivering successful student outcomes whilst ensuring that staff costs do not exceed 70% of income excluding Franchise income

A series of performance indicators have been agreed to monitor the successful implementation of the policies and to maintain the College's financial health grade as outstanding.

Under the ESFA approach to assessing the financial health of Colleges, the College is currently graded as outstanding.

Performance Indicators for 2019/20

	Target	Achievement
ESFA 16-18 student number target	2,276	2,495
Cash days in hand	275	298
Current Ratio	4.54	4.16
Pay as % of income	69.8	62.5

With the exception of the Current Ratio all of the above targets were achieved. The Current Ratio was lower due to the various unbudgeted refurbishments undertaken using the ESFA historical Devolved Maintenance Grants.

The College is committed to observing the importance of the measures and indicators and is monitoring the financial indicators through the completion of the annual Integrated College Financial Model for the ESFA. The current official financial rating of Outstanding is considered an acceptable outcome.

FINANCIAL POSITION**Financial results**

The College and its subsidiary companies generated an operating surplus in the year of £1,056,000 (2018/19: £785,000). The surplus includes FRS 102 pension costs of £336,000 (2018/19: £398,000) arising from the incorporation of the FRS 102 pension liability. The remaining costs relating to the pension liability are recognised in Other Comprehensive Income.

The College and its subsidiary companies have income and expenditure reserves of £14,736,000 after providing for the pension liability and £22,960,000 before the provision (2018/19: £18,342,000 and £21,573,000 respectively).

**Financial Statements for the Year ended 31 July 2020
Members Report (continued)****FINANCIAL POSITION (continued)****Financial results (continued)**

The College wishes to maintain cash balances in order to create a contingency fund to support new building works and the need to implement the recommendations from the recently completed Building Condition Survey.

Tangible fixed asset additions for the Group during the year amounted to £1,921,000 (2018/19: £324,000).

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2019/20, the funding bodies provided 94.5% (2018/19: 91.2%) of the College's total group income.

The College has two subsidiary companies, Joseph Chamberlain (Trading) Limited, and The College for International Citizenship CIC.

The principal activity of Joseph Chamberlain (Trading) Limited is the community use of the Sports Centre.

On 16th May 2011, Joseph Chamberlain (Trading) Limited acquired the whole of the issued share capital of The College for International Citizenship, a public interest company formed to acquire the assets of an organisation that was originally set up in 2004. The principal aim of the company is to carry on activities which benefit the community and in particular, without limitation, to provide educational courses in international citizenship to students aged 16 or over from the local, national and international community.

In the year ended 31 July 2020, Joseph Chamberlain (Trading) Limited generated an operating deficit of £8,505 (2018/19: £8,250 surplus).

In the year ended 31 July 2019, the College for International Citizenship CIC generated a small deficit of £21 (2018/19: £235 surplus).

Treasury policies and objectives

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

The College has a separate treasury management and investment policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Chief Accounting Officer. Such arrangements are restricted by limits in the Financial Memorandum previously agreed with the LSC and subsequently transferred to the ESFA. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the current ESFA Condition of Funding Agreement.

Cash flows

The Consolidated Cash Flow Statement on page 28 shows an overall out-flow of £182,000 (2018/19: £4,371,000 in-flow). Both of the above figures are impacted by the College's transfers to and from an investment fund. Overall bank and investment balances increased by £398,000 (2018/19: £1,338,000). The out-flow was in respect of the planned capital expenditure.

Liquidity

During the year, the College repaid the final bank loan balance of £125,000 (2018/19: scheduled repayment of £250,000). The loan was originally taken out to help finance the construction of the new campus and sports hall.

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 cash flow. During the year this margin was comfortably exceeded.

Financial Statements for the Year ended 31 July 2020 Members' Report (continued)

FINANCIAL POSITION (continued)

Reserves Policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. As at the Balance Sheet date the Income & Expenditure Reserve stands at £14,736,000 (2018/19: £18,342,000). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses. The actual reduction in the Reserves figure is impacted by the inclusion of the LGPS deficit which increased by £4,993,000 (2018/19: £640,000) which is a long term liability, is not due to be settled anytime soon and the deficit may well reduce in the coming years. There is no real cash impact of this liability.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2019/20 the College delivered ESFA funding of £11,833,000 which was £366,000 above the allocation figure of £11,467,000. The 16-18 actual learner numbers were 109 higher than the revised in-year adjusted figure and this increase contributed to the significant over delivery position. In terms of the West Midlands Combined Authority (WMCA) activity the College delivered an outturn figure of £1,872,000 excluding Discretionary Learner Support of £72,000 compared to the £2,158,000 total allocation. However due to COVID19 impact the College only delivered c90% of the WMCA allocation. At this stage we do not anticipate any clawback of funds.

The College enrolments, including sub-contract recruited students, for 2019/20 can be summarised as follows:

Learners	
16-18	2,495
19+	926
Total	3,421

Student achievements

The A level achievement rate in 2019/20 was high again at 98.6% (2018/19-98.7%), with a high grade performance of 55% (2018/19-49%). Level 3 BTEC results showed a high pass rate of 98% (2018/19-98%), with high grade performance of 87% (2018/19-87%).

	2020		2019	
	Achievement Rate	Benchmark	Achievement Rate	Benchmark
AS	88.6	70.5	80.4	70.5
A	98.6	83.8	98.7	83.8
BTEC National	97.1	89.1	92.5	89.1
GCSE	94.7	91.1	91.8	91.1
BTEC First	95.0	83.9	90.2	83.9

Financial Statements for the Year ended 31 July 2020
Members Report (continued)

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE
(continued)

Student achievements (continued)

Measures of value added, assessed by the ALPS methodology, for A level students ensured that the College retained its place in the top 25% of the country. For BTEC students value added progress was equally strong.

Curriculum developments

The College continues to have a high reputation for serving students from a wide range of backgrounds, ages and abilities. It is continually reviewing its course offer to ensure that it matches the needs of its students. The introduction in 2019/20 of AS equivalent courses in Criminology has proven to be a highly successful development and the number of students progressing to the second year have been high. The College is also considering new AS levels in applied Human Biology and Psychology from September 2021.

The College received approval for delivering HE programmes in 2018. Recruitment in September 2019 was again low and the College made the decision to withdraw from this sector from September 2020.

The College also obtained approval from Birmingham City University to enrol students onto a Diploma in Education & Training programme from September 2018. This programme was successful in 2018/19 and 2019/20 and will be continuing for the foreseeable future.

The adult programme offer is also continually refined to meet funding guidance and more importantly the needs of the local communities. We are looking into developing more full cost programmes and working collaboratively with other adult providers in the City. Our excellent partnership arrangement with the Birmingham Education Ethnic Advisory Service continues to serve local people in other areas of the City.

The College also undertakes collaborative work with schools where appropriate. Opportunities are given to students from feeder schools to undertake work placements on the College site. The college also hosts the Work Related Learning Team which provides work placement opportunities to the main site students. Partnerships with a number of employers have been developed this year.

Strong links and partnerships with the Universities of Cambridge, Warwick, Coventry, Aston and Birmingham City continue to benefit students when applying to these institutions. The College is also a "valued partner" of the University of Birmingham's A2B scheme. A large number of College students attend summer schools and visits to universities such as Birmingham, Cambridge and Oxford. Students also participate in maths challenges and master classes at both Aston and Birmingham University.

However, the impact of COVID has seen the College move to a blended learning model of teaching from September 2020 and whilst it has proved successful and welcome by staff and students any long term impacts have yet to be determined.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2019 to 31 July 2020, the College paid 54.66% of supplier invoices representing 52.40% in value (2018/19-51.47% and 43.86%) of all its invoices within 30 days. Both figures are a significant improvement on 2018/19. This figure includes invoices where the College has negotiated extended payment terms. The College processes a fortnightly supplier BACS run to ensure prompt payment of approved supplier invoices.

The delayed payment of high cost franchise and exam invoices are contributory factors in the above statistics due to the additional signing off procedures for such transactions.

The College incurred no interest charges in respect of late payment for this period.

Financial Statements for the Year ended 31 July 2020

Members' Report (continued)

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (continued)

Post Balance Sheet events

The College completed the acquisition of the former Birmingham Car Auctions site as part of the strategic plan to increase available space for main campus developments. The purchase cost of c£1,500,000 including fees was completed using College cash reserves.

The other post Balance Sheet event is the continuing ever-changing impact arising from COVID and compliance with Government and Public Health England guidelines.

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. The table below reflects the position for the year ended 31 March 2020 and this was uploaded onto the College website in line with the Regulations.

Numbers of employees who were TU officials in the relevant period	FTE employee number
5	4.4

Percentage of time	Number of employees
0%	0
1-50%	5
51-99%	0
100%	0

Total cost of facility time	£7,961
Total pay bill	£8,407,000
Percentage of total bill spent on facility time	0.09%

Time spent on paid trade union activities as a percentage of total paid facility time	3.27
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Future developments

The College is under demand led funding and hence the recurrent grant from the main funding bodies for 2020/21 has been confirmed at £13,063,000 from the ESFA and £2,074,000 from the WMCA. The 16-18 figure is c£1,596,000 higher than in 2019/20 due to changes in the national funding rate, higher student numbers and additional programme weightings. The adult funding allocation from the WMCA has not changed from 2019/20.

The College has completed phases 1 and 2 of the refurbishment plans and phase 3 is due to be completed in 2020/21. The College has also secured a CIF Grant of £2,100,000 towards the c£4,100,000 cost of constructing additional classrooms and this necessitated the purchase of the Car Auction site referred to above.

**Financial Statements for the Year ended 31 July 2020
Members Report (continued)**

RESOURCES

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

Tangible resources at £29.9 million include the main campus, sports centre and the Orchard House teaching block.

Financial

The College and its subsidiary companies have £14,736,000 of net assets (including £8,224,000 defined benefit pension liability). At 31 July 2020, the College and subsidiary companies had no borrowings and cash and short term deposits and investments of £12,104,000.

People

The College employs 232 people (expressed as full time equivalents), of whom 136 are front line teaching staff.

Reputation

The College has an excellent reputation locally and nationally. Maintaining a quality brand is essential for the College's on-going success at attracting students and developing future external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation.

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

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

The College has also, in response to COVID, created a secondary Risk Register to ensure that all COVID risks are reduced and comply with Government and Public Health England guidelines.

Financial Statements for the Year ended 31 July 2020

Members Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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

Risk	Impact	Mitigation measure
Failure of Government to sustain funding increases implemented in 2020/21	Potential reduction in operating surplus with College having to prioritise resource requests and ambitious plans for completing projects included in the Building Condition Survey	Continue to promote the College's Outstanding OfSTED grade more effectively and aggressively in particular making more consistent and creative use of social media Review level of pastoral support Re-visit the College decision to continue with an AS level curriculum offer
Transfer of Adult Education Budget (AEB) to WM Combined Mayoral Authority	Currently our Adult Learning department contributes c£800k financial contribution. There is the possibility that the Combined Mayoral Authority may focus their allocation priorities away from up-skilling local communities resulting in reduction to operating surplus	Continue to monitor the split of internal programmes v bursary funding. Reducing sub-contract activity further would increase overall contribution. However, any withdrawal of community support would change the ethos of the College. The College is currently represented on a number of committees overseeing AEB and will continue its dialogue with the Combined Mayoral Authority.
Substantial pay increases and removal of Teachers Pensions Grant	The current 2020/21 budget includes a 2.5% pay increase for teachers, well below that requested by the teaching unions. Each further 1% will cost the College c£60k. The Pensions Grant is worth c£365k per annum (33% of planned 20/21 budget surplus)	Continue to efficiently manage the curriculum through a combination of teaching and pastoral support in delivering programmes Lobby Government through the SFCA and AoC to maintain funding of the substantial increase in the Teachers Pension Scheme employer contributions
COVID	The long term impact of COVID (both financial and educational) will remain for both 20/21 and 21/22 from the educational perspective and much longer from the financial point of view as Government try and recover their huge deficit position.	The College from a financial point of view has reserves to cover the short term issues and helpfully has no borrowings. However, in the longer term response to possible funding cuts will mean a review on how to improve even further curriculum efficiency and potentially a scaling back of the planned MUGA building project. The option of converting to an Academy may also have to be re-visited to take advantage of the financial benefits from that status.
Capacity issues If increases in student numbers continue through our excellent results plus the increase in demographics in 2020 then the College is likely to have to introduce a selective policy during enrolment. Both the SLT and Corporation do not believe this will serve our communities	Such a selective policy could actually lead to a decrease in student numbers over the short term as parents may look elsewhere to ensure that their sons/daughters attend the same institution	Proceed with the preferred option of creating additional classrooms on site due to the lack of alternative local fit for purpose buildings. The risk is that the planned cost of c£4m (50% funded by CIF Grant) will escalate and further erode cash reserves. The College has appointed a multi-skilled Project

Financial Statements for the Year ended 31 July 2020 Members' Report (continued)

		Management organisation to minimise the risk of any material overspend whilst still ensuring that the project delivers its aims
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STAKEHOLDER RELATIONSHIPS

As a city centre sixth form college, Joseph Chamberlain Sixth Form College has many stakeholders. These include:

- Students and their parents
- Student Voice
- Education Sector Funding Bodies
- Staff
- Local employers
- West Midlands Combined Mayoral Authority
- Birmingham City Council
- The local community & partner organisations
- Feeder schools
- Other FE Institutions and local sixth form colleges
- Higher education institutions
- Trade Unions and professional bodies.

The College recognises the importance of these relationships and engages in regular communication through a variety of methods and media.

Parents are communicated with in writing and invited to the College throughout the year to discuss progress and to “coffee mornings”.

Students, parents, staff, local feeder schools, local business and the Local Authority are all represented on the College Governing Body.

Members of the College staff have a programme of visits to feeder schools.

The College is an active member of both the Association of Colleges (AoC) and the Sixth Form Colleges Association (SFCA).

The use of social media technologies is continually being expanded when communicating with current and potential students.

**Financial Statements for the Year ended 31 July 2020
Members Report (continued)****STAKEHOLDER RELATIONSHIPS (continued)****Equal opportunities and employment of disabled persons**

Joseph Chamberlain Sixth Form College is proud of its commitment to equalising opportunity for all who learn and work at the College. The College respects and values differences in race, gender, sexual orientation, physical ability, class and age. The College has in place policies to address these issues and has a coordinating Equality and Diversity Committee which has oversight of the implementation, monitoring and development of policy and reports to the Corporation. An annual report is prepared each year for consideration by the Corporation. The College continues to support and fund an Equality and Diversity Co-ordinator.

The College's Equal Opportunities Policy, including its Equalities Policies, is published on the College's intranet site.

The College considers all applications from disabled persons and offers an interview to all disabled people who meet the job and person specification for any post. Where existing employees become disabled, every effort is made to ensure that their employment at the College continues. An equalities action plan setting clear targets is published each year and the identified actions are monitored by the governing body. This complies with Equality legislation.

Disability statement

The College is committed to a policy of responding to the general needs of the community and the specific need of the individual. Disability or additional educational needs shall be defined as learning requirements that need support or provision additional to or different from that which is normally available. The College has published a policy statement in relation to students with learning difficulties or disability. The main provisions of this statement include:

- to ensure increased access to the College from all sections of the community, regular liaison with schools, community groups, careers and guidance services and agencies working with those with specific learning difficulties and / or disabilities (SLDD) will be promoted and supported.
- the College application procedure will offer applicants the opportunity to provide information and discuss any special learning difficulty or disability that affects them. However, the College recognises that not all students may be willing or able to do this and that it is the responsibility of the College to ensure that alternative procedures are in place to identify and assess potential learning difficulties and that other opportunities exist to enable students to disclose any SLDD.
- in the event of a place not being offered to a student with a learning difficulty or disability, a record will be kept of the reasons given. Where possible, alternative options and guidance will be given in liaison with Prospects and Social Services, etc.
- when a student who wishes to enrol at this College cannot be admitted because the College cannot meet her or his learning needs, this information will be put before the Corporation.
- advice will be available to students with disabilities or additional learning needs before, during and at the end of their course so that students can examine their individual needs within their progression route.

Approach to students with disabilities

As an important part of the College relocation project, a full access audit was undertaken and the facilities provided fully comply with all access legislation. Other appropriate measures are taken such as the use of specialist furniture and software.

The College has a Specific Learning Difficulty and Disability Coordinator, who provides information, advice and guidance and support to students who apply or are at the College. She interviews all prospective students

**Financial Statements for the Year ended 31 July 2020
Members' Report (continued)**

STAKEHOLDER RELATIONSHIPS (continued)

Approach to students with disabilities (continued)

with declared difficulties or disabilities and prepares a support plan for them should they enrol at the College. Use is made of specialist sign language and care staff.

In recent years, the College has significantly expanded the number of support assistants it employs to ensure its duties are met. It now employs 15 support assistants. The Disability Equality Scheme and associated action plan are published on the web site.

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 establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation of Joseph Chamberlain Sixth Form College on 15 December 2020 and signed on its behalf by:



M/S S Anderson
Chair of Corporation

**Financial Statements for the Year ended 31 July 2020
Members Report (continued)**

Key management personnel, Corporation and Professional advisers

Financial statement and reporting accountants: RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

Internal auditors: HW Controls and Assurance
30 Camp Road
Farnborough
GU14 6EW

Bankers: Allied Irish Bank (GB)
61 Temple Row
Birmingham
B2 5LT

Solicitors: Eversheds
115 Colmore Row
Birmingham
B3 3AL

Shoosmiths LLP
2 Colmore Square
38 Colmore Circus
Birmingham
B4 6BJ

Key management personnel

Key management personnel were represented by the following in 2019/20:

Mr Tony Day
Mr David Blower
Mr Damian Brant
Mrs Joanne Lawrence
Mr Norman MacDonald
Mrs Yasmin Juwle

Board of Governors

A full list of Members of the Corporation is given on page 16 of these Financial Statements. Mrs A Barker acted as Clerk to the Corporation throughout the period. She was assisted by M/S Hayley Griffiths during an extended period of illness.

Financial Statements for the Year ended 31 July 2020
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 2019 to 31 July 2020 and up to the date of approval of the annual report and Financial Statements.

The College endeavours to conduct its business:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
3. selecting certain aspects of the UK Corporate Governance Code 2016 insofar as they specifically relate to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College/Board has adopted and complied with the AoC Good Governance Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the AoC Good Governance Code, and it has complied throughout the year ended 31 July 2020. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

Financial Statements for the Year ended 31 July 2020

Statement of Corporate Governance and Internal Control (continued)

The Corporation

The members who served the Corporation throughout the year and up to the date of signature of this report were as follows:

<i>Name</i>	<i>Date of Appointment</i>	<i>Term of Office</i>	<i>Date of Termination</i>	<i>Status of Appointment</i>	<i>Committees served</i>	<i>Full Board Attendance 2019-20 (maximum 3)</i>
Tony Day	01/01/2019	Ex-officio Until leaves post		Principal	Finance & Resources (F&R), Search and Curriculum, Quality & Learning (CQL)	11 th Dec 2019 28 th April 2020 2 nd July 2020
Thelma Probert -Deputy Chair	19/10/2008	4 years initial term now extended to 16/10/2024		Co-opted	F&R, CQL and Chair of Remuneration	11 th Dec 2019 28 th April 2020 2 nd July 2020
Lesley Servian	16/12/2015	4 years	04/10/2019	Business related	F & R and Remuneration	
Sue Anderson-Chair	19/10/2008	4 years initial term now extended to 16/10/2024		Co-opted - Local Authority	Chair: Corporation, F&R, and Search. Member. Remuneration and Curriculum & Learning	11 th Dec 2019 28 th April 2020 2 nd July 2020
Graeme Birch	19/10/2010	4 years extended to 17/10/2022	11/12/2019	Business related	Audit	
Winsome Sherriffe	18/05/2010	4 years extended to 16/05/2022		Staff member		11 th Dec 2019 28 th April 2020 2 nd July 2020
Wendy Sharples	18/05/2010	4 years extended to 16/05/2022		Co-opted - Schools Link	Chair: CQL Member- Search & Remuneration	11 th Dec 2019 28 th April 2020 2 nd July 2020
Steven Davies	12/11/2013	4 years to 11/11/2021	Sept 2020	Staff member		11 th Dec 2019 28 th April 2020 2 nd July 2020
David Jones	01/10/2019	2 years		Co-opted Audit	Audit	-
Rubina Chaudary	06/12/2011	2 years extended to 11/11/2021		Co-opted Audit skills	Chair Audit	11 th Dec 2019 28 th April 2020 2 nd July 2020
David Farrow	01/10/2018	4 years to 30/09/2022		University link	F&R	11 th Dec 2019 28 th April 2020 2 nd July 2020
David Lee	1 /03/2018	4 years extended to 01/03/2024		Curriculum	CQL	28 th April 2020 2 nd July 2020
Parminder Garcha	01/05/2019	4 years to 30/04/2023		Curriculum	F & R	11 th Dec 2019 28 th April 2020 2 nd July 2020
Philip Leyland	01/05/2019	4 years to 30/04/2023		Finance-Business	F & R	11 th Dec 2019 28 th April 2020 2 nd July 2020
Nighat Shaheen	1/1/2020	Extended to 31/07/2021		Parent/carers		2 nd July 2020
Abbas Hussain	01/10/2019	1 year	31 /7/ 2020	Student member		11 th Dec 2019
Iqra Malik	01/10/2019	1 year	31/ 7/ 2020	Student member		11 th Dec 2019
Asfa Batool	01/10/2020	1 year		Student member		
Muhammad Moughal	01/10/2020	1 year		Student member		
Habib Rahman	21/12/2012	Extended to 20/12/2022		Co-opted Search	Search	-

Financial Statements for the Year ended 31 July 2020
Statement of Corporate Governance and Internal Control (continued)

The Corporation (continued)

Whilst parent governors are nominated to the Corporation for a period of four years, if their child/children leave the College before the end of the four-year period, their term of office ends at the next full Corporation meeting following the election of their successor.

The staff elects staff governors for a period of four years, but their term of office ends if they leave the employment of the College before the end of the four-year period.

The following person has been co-opted to a subcommittee of the Corporation to provide additional expertise:

Mr. H. Rahman - Former member of Corporation with local knowledge - Search Committee

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 each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are finance and general purposes, curriculum and learning, remuneration, search and audit. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website (jcc.ac.uk) or from the Clerk to the Corporation at:

Joseph Chamberlain Sixth Form College
1 Belgrave Road
Highgate
Birmingham B12 9FF

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

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

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

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

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

**Financial Statements for the Year ended 31 July 2020
Statement of Corporate Governance and Internal Control (continued)****Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a search committee comprising the Chair of the Corporation, the Principal, two other members of the Corporation and a co-opted member from the local community, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding 4 years.

Remuneration Committee

The College's terms of reference indicate that the Remuneration Committee should comprise four members of the Corporation, excluding staff and student Governors. The Chair of this Committee is the Chair of the main Corporation. The members who served on this Committee throughout the year to 31 July 2020 are noted on page 16.

The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Chief Accounting Officer and other senior post holders.

Details of the remuneration for the year ended 31 July 2020 are set out in note 7 to the Financial Statements.

Audit Committee

The College's terms of reference indicate that the Audit Committee should comprise of five members of the Corporation. The Chair of the Corporation, members of the F&GP Committee, Staff Governors and the Chief Accounting Officer are excluded from membership of the Audit Committee. The members who served on this Committee throughout the year to 31 July 2020 are noted on page 16. The Committee operates in accordance with written terms of reference approved by the Corporation.

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

The College's internal auditors review the system 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.

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

Finance & Resources Committee (formerly F&GP) Committee

The College's terms of reference indicate that the FRC Committee should comprise six members of the Corporation including the Chair of the Corporation and the Chief Accounting Officer. The members who served on this Committee throughout the year to 31 July 2020 are noted on page 16. The Committee operates in accordance with written terms of reference approved by the Corporation.

The FRC Committee meets at least once per term whose primary role is to advise the Main Board on matters of Finance. The principal terms of reference include making recommendations to the Corporation on the following matters:-

- Approval of Financial Statements;
- Approval of College annual and revised budgets and any financial forecasts required by Funding Bodies;
- Review of Management Accounts;

**Financial Statements for the Year ended 31 July 2020
Statement of Corporate Governance and Internal Control (continued)****Finance & Resources formerly F&GP Committee (continued)**

- Approve major capital expenditure projects and any associated borrowings;
- Receive reports on any major contracts;
- Approve, where appropriate, College Accommodation strategy;
- Determining College investment and borrowing policies; and
- Monitor financial data for sub-contracting arrangements.

This and other Committees also review the College's proposed Strategic Plan and Self-Assessment Report.

Internal Control***Scope of responsibility***

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going 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 Joseph Chamberlain Sixth Form College for the year ended 31 July 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation
- 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
- the adoption of formal project management disciplines, where appropriate.

**Financial Statements for the Year ended 31 July 2020
Statement of Corporate Governance and Internal Control (continued)****Internal Control (continued)***The risk and control framework (continued)*

Joseph Chamberlain Sixth Form College has an internal audit service, which operates in accordance with the requirements of the ESFA Post 16 Audit Code of Practice. The work of the internal audit service is informed by the College's analysis of the risks to which the College is exposed. The internal audit service provides the Corporation with reports on the agreed areas of College activity.

The analysis of risk and the internal audit reports are endorsed by the Corporation on the recommendation of the Audit Committee.

Review of effectiveness

As Chief Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. They have reviewed the effectiveness of the system of internal control is informed by:

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

The Chief Accounting Officers in post during the year have 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 Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible issues brought to their attention by early warning mechanisms which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit Committee also receive regular reports from internal audit, 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 meeting on 15 December 2020, the Corporation received a report from the Audit Committee on the annual activities and assessments carried out in 2019/20. The Audit Committee report and assurance will be based on the documentation presented to them by the Senior Leadership Team and internal auditors and taking account of events since 31 July 2020.

Based on the advice of the Audit Committee 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 College and the safeguarding of their assets".

Going Concern

The College's financial health has been retained at a "Outstanding" rating for 2019/20 with underlying performance at £1,056,000 surplus which is better than in year forecasts despite the impact of COVID19. Careful management and monitoring of budgets and a remote delivery model to continue learning alongside government and ESFA related support mechanisms have contributed to the successful financial outcome. The College also incurred c£40,000 of COVID19 related expenditure ensure the campus was COVID19 secure prior to reopening.

The College budget for 2020/21 has been approved at a surplus of £970,000 in July 2020 which will allow for the retention of a "Outstanding" health rating. The supporting income and expenditure streams have been heavily risked to take in to account the ongoing impact of COVID19 and also the challenging financial climate. Expenditure budgets also include for the relevant amounts to secure the campus continues to be COVID19 secure and is adequately cleaned, equipped and socially distanced to provide a safe environment to all. Associated cash

Financial Statements for the Year ended 31 July 2020
Statement of Corporate Governance and Internal Control (continued)

Going Concern (continued)

flow forecasts supporting the budgets indicate the College will retain sufficient working capital to traverse all low points in 2020/21 with sufficient headroom without recourse to additional facilities.

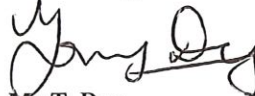
After making appropriate enquiries including consideration of the financial forecast plan, the budget for 2020/21, short and long term cash flow forecasts and current banking facilities, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The College's financial health was rated as "Outstanding" by the ESFA for 2018/19 based on the submission of the signed financial statements. The financial health remains "Outstanding" based on the College's self-assessment of the financial statements for 2019/20. Financial plans and budgets for 2020/21 have been set to retain the "Outstanding" health rating.

Approved by order of the members of the Corporation on 15 December 2020 and signed on its behalf by:



M/S S. Anderson
Chair



Mr T. Day
Principal

Financial Statements for the Year ended 31 July 2020
Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education and Skills Funding Agency terms and conditions of funding, under the funding agreement in place between the College and the Education and Skills Funding Agency. As part of its consideration the Corporation has had due regard to the requirements of the funding agreement.

We confirm, on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or non-compliance with the Education and Skills Funding Agency's terms and condition of funding under the College's funding agreement.

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



M/S S. Anderson
Chair



Mr T. Day
Principal

Financial Statements for the Year ended 31 July 2020
Statement of Responsibilities of the Members of the Corporation

The members of the Corporation (who act as trustees for the charitable activities of the College) are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the Condition of Funding Agreement between the Education and Skills Funding Agency and the Corporation of the College, requires the Corporation of the College to prepare financial statements and the Members Report for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions the annual Accounts Direction issued by the Education and Skills Funding Agency, and applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and which give a true and fair view of the state of affairs of the College and of the College's surplus/deficit of income over expenditure for that period.

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

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

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

Members of the Corporation are responsible for ensuring that funds from the Education and Skills Funding Agency are used only in accordance with the authorities that govern them as defined by and in accordance with Further & Higher Education Act 1992, subsequent legislation and related regulations and the Condition of Funding Agreement with the Education and Skills Funding Agency and any other conditions that may be prescribed from time to time.

Approved by order of the members of the Corporation on 15 December 2020 and signed on its behalf by:



M/S S. Anderson
Chair

Joseph Chamberlain Sixth Form College

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

Opinion

We have audited the financial statements of Joseph Chamberlain Sixth Form College (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2020 which comprise the consolidated and college statements of comprehensive income, the consolidated and college balance sheets, the consolidated and college statements of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2020 and of the Group's and the College's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the college's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Members Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

Opinion on other Matters prescribed by the Office for Students Accounts Direction

In our opinion, in all material respects:

Joseph Chamberlain Sixth Form College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF JOSEPH CHAMBERLAIN SIXTH FORM COLLEGE (continued)

Opinion on other matters prescribed by the Office for Students Accounts Direction (continued)

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2019 to 2020 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

Responsibilities of the Corporation of Joseph Chamberlain Sixth Form College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 22, 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 Group's and 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 Group or the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 6 November 2020. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Chamberlain Sixth Form College

**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF
JOSEPH CHAMBERLAIN SIXTH FORM COLLEGE (continued)**

For J. Holt

RSM UK AUDIT LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date: 28 January 2021

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Consolidated and College Statements of Comprehensive Income

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	2	14,497	14,497	12,714	12,714
Tuition fees and education contracts	3	244	244	237	237
Other grants and contracts	4	50	25	42	33
Other income	5	429	351	674	503
Investment income	6	125	125	136	136
Total income		15,345	15,242	13,803	13,623
EXPENDITURE					
Staff costs	7	9,183	9,108	8,476	8,362
Other operating expenses	8	3,921	3,884	3,625	3,568
Depreciation	11	1,118	1,192	988	1,062
Interest and other finance costs	9	67	67	65	63
Total expenditure		14,289	14,251	13,154	13,055
Surplus before other gains and losses		1,056	991	649	568
Gain on sale of investments	6	-	-	136	136
Surplus before tax		1,056	991	785	704
Taxation	10	-	-	-	-
Surplus for the year		1,056	991	785	704
Actuarial gain in respect of pension schemes	24	(4,662)	(4,662)	(450)	(450)
Total Comprehensive Income for the Year		(3,606)	(3,671)	335	254
Represented by:					
Unrestricted comprehensive income		(3,606)	(3,671)	335	252
		(3,606)	(3,671)	335	252
Surplus/(deficit) for the year attributable to:					
Corporation of the College		(3,606)	(3,671)	335	252
Total comprehensive Income for the year attributable to:					
Corporation of the College		(3,606)	(3,671)	335	252

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Consolidated and College Statement of Changes in Reserves

	Income and expenditure account £'000	Total £'000
Group		
Balance at 1st August 2019	18,342	18,342
Surplus from income and expenditure account	1,056	1,056
Other comprehensive income	(4,662)	(4,662)
Total comprehensive income for the year	<u>(3,606)</u>	<u>(3,606)</u>
Balance at 31st July 2020	<u><u>14,736</u></u>	<u><u>14,736</u></u>

College

Balance at 1st August 2019	21,243	21,243
Surplus from income and expenditure account	991	991
Other comprehensive income	(4,662)	(4,662)
Total comprehensive income for the year	<u>(3,671)</u>	<u>(3,671)</u>
Balance at 31st July 2020	<u><u>17,572</u></u>	<u><u>17,572</u></u>

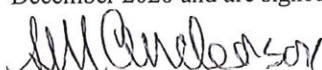
Joseph Chamberlain Sixth Form College

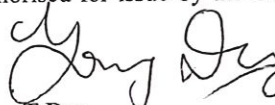
Financial Statements for the Year ended 31 July 2020

Balance Sheets as at 31 July

	Notes	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
Non current assets					
Tangible fixed assets	11	29,878	32,684	29,075	31,955
Investments	12	0	0	0	0
		<u>29,878</u>	<u>32,684</u>	<u>29,075</u>	<u>31,955</u>
Current Assets					
Trade and other receivables	13	168	234	207	330
Investments	14	5,808	5,808	5,228	5,228
Cash and cash equivalents		6,296	6,211	6,478	6,319
		<u>12,272</u>	<u>12,253</u>	<u>11,913</u>	<u>11,877</u>
Less: Creditors amounts falling due within one year	15	(2,949)	(2,900)	(2,695)	(2,638)
Net current assets		<u>9,323</u>	<u>9,353</u>	<u>9,218</u>	<u>9,239</u>
Total assets less current liabilities		<u>39,201</u>	<u>42,037</u>	<u>38,293</u>	<u>41,194</u>
Creditors: amounts falling due after more than one year	16	(16,165)	(16,165)	(16,644)	(16,644)
Provisions					
Defined benefit obligations	18	(8,224)	(8,224)	(3,231)	(3,231)
Other provisions	18	(76)	(76)	(76)	(76)
Total net assets		<u>14,736</u>	<u>17,572</u>	<u>18,342</u>	<u>21,243</u>
Unrestricted reserves:					
Income and expenditure account		14,736	17,572	18,342	21,243
Total unrestricted reserves		<u>14,736</u>	<u>17,572</u>	<u>18,342</u>	<u>21,243</u>

The Financial Statements on pages 27 to 51 were approved and authorised for issue by the Corporation on 15 December 2020 and are signed on its behalf by:


M/S S. Anderson
Chair


T Day
Accounting Officer

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020 Consolidated Statement of Cash Flows

	<i>Notes</i>	2020	2019
		£'000	£'000
Cash flow from operating activities			
Surplus for the year		1,056	785
Adjustment for non-cash items			
Depreciation		1,118	988
Decrease/(Increase) in debtors		39	(54)
(Decrease)/Increase in creditors due within one year		379	339
(Decrease) in creditors due after one year		(479)	(540)
Pensions costs less contributions payable		271	338
Payments from Enhanced Pension Provision		(6)	(6)
Taxation		-	-
Adjustment for investing or financing activities			
Investment income		(125)	(272)
Interest payable		67	65
Loss on sale of fixed assets		-	-
Net cash flow from operating activities		2,320	1,643
Cash flows from investing activities			
Investment income		125	272
Withdrawal of deposits		5,131	8,127
New deposits		(5,711)	(5,094)
Payments made to acquire fixed assets		(1,921)	(324)
Net cash flows from investing activities		(2,376)	2,981
Cash flows from financing activities			
Interest paid		(1)	(3)
Repayments of amounts borrowed		(125)	(250)
Net cash flows from financing activities		(126)	(253)
(Decrease)/increase in cash and cash equivalents in the year		(182)	4,371
Cash and cash equivalents at beginning of year		6,478	2,107
Cash and cash equivalents at end of year		6,296	6,478

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

General Information

Joseph Chamberlain Sixth Form College ("the College") is a corporation established under the Further & Higher Education Act 1992 as an English sixth form college of further education. The registered office address of the Company is 1 Belgrave Road, Highgate, Birmingham, B12 9FF. The nature of the College's operations is set out in the Members' Report.

Statement of accounting policies

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

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2019/20* and in accordance with Financial Reporting Standard 102 – "*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*" (FRS102).

The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The College has taken advantage of the exemptions provided in FRS 102 1.12 and the 2015 FE HE SORP 3.3, and has not included a separate statement of its own cash flows. These cash flows are included within the Consolidated Statement of Cash Flows, and the College Balance Sheet discloses cash at both the current and preceding reporting dates.

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.

Monetary amounts in these Financial Statements are rounded to the nearest £1,000 except where stated.

Basis of accounting

The Financial Statements are prepared under the historical cost convention.

Basis of consolidation

The consolidated Financial Statements include the College and its subsidiary undertaking, Joseph Chamberlain Trading Limited and its subsidiary public interest company The College for International Citizenship CIC both of which are controlled by the Group.

Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intra-group transactions, profits and balances are eliminated fully on consolidation. All Financial Statements are made up to 31 July 2020.

Going Concern

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

The College does not have any bank borrowings as the previous Loan was fully repaid in December 2019.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

1. Statement of accounting policies and estimation techniques (continued)

Going Concern (continued)

The financial impact of COVID has had no material impact on the financial position of the College due to the ongoing guarantee on 16-18 funding for 2020/21 and 2021/22 from the ESFA. There is some uncertainty over the adult funding position but the College would be able to partially mitigate any funding reductions. Cash flow up to 31 July 2022 remains positive and the College has significant cash reserves at its disposal to overcome the ongoing uncertainty over COVID as the outbreak unfolds.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Government revenue grants and other grants and are accounted for under the accrual model as permitted by FRS 102 and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income. 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 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments, and is recognised when receivable.

Grants from non-government sources 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.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

The recurrent grant from the Office for Students (OFS) represents the funding allocation attributable to the current financial year and is recognised when received or receivable.

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 earned.

All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned on a receivable basis.

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 multi-employer defined benefit plans, which are externally funded and contracted out of the State Second Pension

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

1 Statement of accounting policies and estimation techniques (continued)

Accounting for post-employment benefits (continued)

the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets of the Scheme are held separately. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and included within finance costs. This 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 other comprehensive income.

Remeasurements comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest) are recognised immediately in other comprehensive income.

Short term Employment benefits

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

Enhanced pensions

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

Non-current Assets - Tangible fixed assets

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

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- Main College Campus – 50 years

Freehold land is not depreciated.

The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

Where land and buildings are acquired with the aid of specific Government 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 Statement of Comprehensive Income over the expected useful economic life of the

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

1. Statement of accounting policies and estimation techniques (continued)

Non-current Assets - Tangible fixed assets (continued)

related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

Assets under Construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition, unless the individual item is part of a major replacement programme, in which case such items may be capitalised. All other equipment is capitalised at cost.

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

- | | |
|------------------------------------|------------|
| • Plant and equipment | 5-15 years |
| • motor vehicles | 5 years |
| • computer equipment | 3-5 years |
| • furniture, fixtures and fittings | 5-10 years |

Where equipment is acquired with the aid of specific Government 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 Statement of Comprehensive Income over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases. As at 31 July 2020 the College did not have any finance lease agreements.

Investments

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual Financial Statements.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

1. Statement of accounting policies and estimation techniques (continued)

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.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Derecognition of financial assets and liabilities

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

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

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 a minor element 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 companies are subject to Corporation Tax and VAT in the same way as any commercial organisation.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

1. Statement of accounting policies and estimation techniques (continued).

Provisions and contingent liabilities

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

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

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the notes to the Financial Statements.

Agency arrangements

The College acts as an agent in the collection and payment of bursary support funds from the funding bodies. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the Statement of Comprehensive Income of the College where the College does not have control of the economic benefit related to the transaction.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- *Local Government Pension Scheme*
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2020. 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.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

2. Funding body grants

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Recurrent grants				
West Mids Combined Auth (18/19-ESFA)-Adults	2,158	2,158	2,030	2,030
Education and Skills Funding Agency-16-18	11,467	11,467	10,168	10,168
OfS-HEFCE	1	1	2	2
Specific grants				
ESFA/WMCA Agency	38	38	35	35
ESFA Devolved Maintenance grants	140	140	-	-
ESFA Teachers Pension grant	259	259	-	-
Releases of government capital grants	434	434	479	479
Total	14,497	14,497	12,714	12,714

3. Tuition fees and education contracts

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Adult Education Fees	-	-	-	-
Total Tuition fees	-	-	-	-
Education Contracts	244	244	237	237
Total	244	244	237	237

4. Other grants and contracts

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Other grants and contracts	29	25	42	33
Coronavirus Job Retention Scheme	21	-	-	-
Total	50	25	42	33

Other Grants and contracts (continued)

The Corporation furloughed members of staff under the Government Coronavirus Job Retention Scheme who were engaged in the running of the Sports Centre in the evenings and at weekends as the facility was closed under Public Health England protocols. The funding received of £20,566 was in respect of seven members of staff whose staff costs are included in note 7 below.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

5 Other income

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Other income generating activities	114	36	236	65
Non-funding body capital grants	62	62	62	62
Miscellaneous income	253	253	376	376
Total	429	351	674	503

6 Investment Income

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Income from bank deposits	109	109	84	84
Income from investments	16	16	52	52
Total	125	125	136	136
Fair Value gain on investments	-	-	136	136
Total	-	-	136	136

7 Staff costs and key management personnel remuneration – Group and College

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

	2020 Number	2019 Number
Teaching staff	136	127
Non-teaching staff	96	101
Total	232	228

Staff costs for the above persons:

	2020 £'000	2019 £'000
Wages and salaries	6,578	6,122
Social security costs	636	578
Other pension costs	1,505	1,202
Payroll sub-total	8,719	7,902
Contracted out staffing services	464	574
	9,183	8,476

Other pension costs include FRS102 adjustments of £266,000 (2018/19: £334,000).

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

7 Staff costs and key management personnel remuneration – Group and College (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team, which comprises the Principal, Deputy Principal * 2, Assistant Principal, Director of Finance and HR Director.

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

	2020	2019
	Number	Number
The number of key management personnel including the Accounting Officer was:	6	6

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

	Key management personnel	
	2020	2019
	Number	Number
£25,001 to £30,000	-	1
£30,001 to £35,000	2	-
£40,001 to £45,000	1	1
£60,001 to £65,000	1	2
£65,001 to £70,000	1	-
£105,001 to £110,000	-	1
£110,001 to £115,000	1	-
£120,001 to £125,000	-	1
	6	6

No other members of staff received emoluments above £60,000 (2019: None).

Key management personnel (including the Accounting Officer) emoluments are made up as follows:

	2020	2019
	£'000	£'000
Salaries	352	351
Benefits in kind	-	-
National Insurance contributions	41	42
	393	393
Pension contributions	71	59
Total emoluments	464	452

There was a change in Principal on 1 January 2019 and the above 2019 figures include that of both the incoming and outgoing Principal.

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

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

7. Staff costs and key management personnel remuneration – Group and College (continued)

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

	2020	2019
	£'000	£'000
Salary for 2019/20	115	0
Salaries to 31 December 2018	-	50
Salaries from 1 January 2019	-	71
Benefits in kind	-	-
	<u>115</u>	<u>121</u>
Pension contributions for 2019/20	26	-
Pension contributions to 31 December 2018	-	9
Pension contributions from 1 January 2019	-	11
	<u>141</u>	<u>141</u>

There were no severance payments to key management personnel in either year. There was a change in Principal from 1 January 2019 and the incoming and outgoing Principal salaries are split in the above table.

The remuneration of the Principal/Accounting Officer for the year to 31 July 2020 was set on the recommendation of the College's Remuneration Committee. The Principal/Accounting Officers were not involved in setting their remuneration. The factors taken into account by this Committee in determining the Accounting Officer's remuneration were benchmarking against other colleges, meeting of key performance targets and a full appraisal.

The relationship between the Accounting Officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for basic salary as there are no benefits in kind.

	2020	2019
	No	No
Basic salary as a multiple of median basic salary of staff	3.8	3.9

The calculation includes the costs of contracted out staff as those staff are included in the staff number table above.

Governors Remuneration

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

Two Governors received reimbursement of travel costs incurred in attending external Governance events during 2019/20. The amounts reimbursed were £256 (2018/19-£Nil).

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

8. Other operating expenses

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Teaching costs	806	806	737	737
Non-teaching costs	2,048	2,034	2,008	1,981
Premises costs	1,067	1,044	880	850
Total	3,921	3,884	3,625	3,568
Surplus before tax is stated after charging:	2020 £'000		2019 £'000	
Auditors' remuneration:				
Financial statements audit*	29		26	
Internal audit	12		12	
Other services provided by the financial statements auditor				
Taxation incl. VAT services	3		4	
Loss on disposal of non-current assets	-		-	
Hire of assets under operating leases	43		46	

* includes £26,723 in respect of College (2018/19 £21,660)

The internal auditors also performed the audit of sub-contracting in line with the funding body guidelines.

9. Interest and other finance costs – Group and College

	2020 £'000	2019 £'000
On bank loans, overdrafts and other loans	1	3
	1	3
Unwinding of discounts in relation to enhanced pension provision	1	2
Net interest on defined benefit pension liability (note 24)	65	60
	67	65

10. Taxation

The Corporation do not believe the College was liable for any Corporation Tax arising out of its activities during this year.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

11. Tangible fixed assets (Group)

	Land and Buildings Freehold £'000	Buildings under Construction £000	Equipment £'000	Total £'000
Cost				
At 1 August 2019	34,901	-	6,293	41,194
Additions	609	512	800	1,921
Disposals	-	-	(24)	(24)
At 31 July 2020	35,510	512	7,069	43,091
Depreciation				
At 1 August 2019	7,013	-	5,106	12,119
Charge for the year	686	-	432	1,118
Disposals	-	-	(24)	(24)
	7,699	-	5,514	13,213
Net book value at 31 July 2020	27,811	512	1,555	29,878
Net book value at 31 July 2019	27,888	-	1,187	29,075

Tangible fixed assets (College only)

	Land and Buildings Freehold £000	Buildings under Construction £000	Equipment £000	Total £000
Cost				
At 1 August 2019	38,592	-	6,293	44,885
Additions	609	512	800	1,921
Disposals	-	-	(24)	(24)
At 31 July 2020	39,201	512	7,069	46,782
Depreciation				
At 1 August 2019	7,823	-	5,107	12,930
Charge for the year	760	-	432	1,192
Disposals	-	-	(24)	(24)
At 31 July 2020	8,583	-	5,515	14,098
Net book value at 31 July 2020	30,618	512	1,554	32,684
Net book value at 31 July 2019	30,769	-	1,186	31,955

All the tangible fixed assets of the group are held in the books of the College.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

12 Non-current Investments

	2020 £000	2019 £000
Investment in subsidiary companies at cost less amounts written off	-	-

The College owns 100 per cent of the issued ordinary £1 shares of Joseph Chamberlain (Trading) Limited a company incorporated in England and Wales. Joseph Chamberlain (Trading) Limited recommenced trading as a Sports Centre community operator on 18 August 2014 and in the year to 31 July 2020 incurred an operating deficit of £8,505 (2019: £8,250-surplus). No gift aid has been made to Joseph Chamberlain College in the year (2019 £Nil). Joseph Chamberlain (Trading) Limited owns 100 per cent of the issued ordinary £1 shares of The College for International Citizenship CIC a Community Interest Company. The principle activity of this company is to provide educational courses in international citizenship to students aged 16 or over. The College for International Citizenship generated after tax deficit of £21 in the year to 31 July 2020 (2019 £235-surplus).

13 Debtors

	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
Amounts falling due within one year				
Trade receivables	3	3	24	24
Amounts owed by subsidiary undertakings	-	66	-	126
Prepayments and accrued income	165	165	183	180
Total	168	234	207	330

14 Current investments

	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
Short term bank deposits	5,711	5,711	5,131	5,131
Charity Investment Fund	97	97	97	97
Total	5,808	5,808	5,228	5,228

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months' maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. The charity fund investment relates to the purchase of units through CCLA in a Charity Investment Fund and a Charity Ethical Investment Fund. The units can be sold at any time. The majority of the units were sold in July 2019 generating a healthy surplus disclosed in note 6. Interest received is processed through the Statement of Comprehensive Income, again in note 6.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

15 Creditors: amounts falling due within one year

	Group 2020 £000	College 2020 £000	Group 2019 £000	College 2019 £000
Bank loans	-	-	125	125
Holiday pay accrual	25	25	25	25
Trade payables	873	873	517	517
Other taxation and social security	162	162	149	149
Accruals and other deferred income	1,421	1,372	1,341	1,284
Deferred income-government capital grants	462	462	468	468
Amounts owed to Education and Skills Funding Agency	6	6	70	70
	<u>2,949</u>	<u>2,900</u>	<u>2,695</u>	<u>2,638</u>

16 Creditors: amounts falling due after one year

	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
Deferred income - government capital grants	16,165	16,165	16,644	16,644
Total	<u>16,165</u>	<u>16,165</u>	<u>16,644</u>	<u>16,644</u>

17 Maturity of debt

Bank loans and overdrafts

Bank loans are repayable as follows:

	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
In one year or less	-	-	125	125
Between one and two years	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>

The bank loan was fully repaid on 31 December 2019.

The bank loan was secured against a portion of the freehold land and buildings of the College but this has now been discharged.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

18 Provisions

	Group and College		
	Defined benefit obligations	Enhanced Pensions	Total
	£'000	£'000	£'000
At 1 August 2019	3,231	76	3,307
Expenditure in the period	-	(7)	(7)
Additions in the period	4,993	7	5,000
At 31 July 2020	<u>8,224</u>	<u>76</u>	<u>8,300</u>

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 Association of Colleges.

The principal assumptions for this calculation are:

	2020	2019
Price inflation	2.20%	2.20%
Discount rate	1.30%	2.00%

The enhanced pension provision includes £25,761 (2018: £24,673) in respect of a former senior post-holder.

19 Financial instruments	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
Financial Assets				
Debt instruments measured at amortised cost	53	53	80	54
Debt instruments measured at fair value through profit and loss	97	97	97	97
Financial Liabilities				
Financial Liabilities measured at amortised cost	1,787	1,779	1,480	1469

20 Capital and other commitments

	Group and College	
	2020 £'000	2019 £'000
Commitments contracted for at 31 July	<u>478</u>	<u>765</u>

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

21 Lease obligations

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

	Group and College	
	2020	2019
	£'000	£'000
Land & Buildings:		
Not later than one year	12	12
Later than one year and not later than five years	36	12
Later than five years	-	-
	<u>48</u>	<u>24</u>
Other:		
Not later than one year	49	13
Later than one year and not later than five years	78	14
Later than five years	-	-
	<u>127</u>	<u>27</u>

22 Contingent liabilities

The College is unaware of any contingent liabilities that may be accruing at the date of approval of these accounts by the Corporation.

23 Events after the reporting period

There are no events after the reporting period that would have a material effect on these accounts. However, it should be noted that the College used c£1,500,000 of its cash reserves to fund the purchase of the BCA freehold site in September 2020.

24 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans, the Teachers' Pensions Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is administered by the West Midlands Metropolitan Authorities Pension Fund. Both are multi-employer defined-benefit plans.

		2020		2019
	£'000	£'000	£'000	£'000
Total pension cost for the year				
Teachers' Pension Scheme: contributions paid		973		617
Local Government Pension Scheme:				
Contributions paid	253		251	
FRS 102 (28) charge	<u>266</u>		<u>334</u>	
Charge to Statement of Comprehensive Income		519		585
Enhanced pension charge to Statement of Comprehensive Income		-		-
Total Pension Cost for year within staff costs		<u>1,492</u>		<u>1,202</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries, the latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

The above figures exclude payments to the LGPS provider in respect of Deficit Recovery Payments of £13k (2019-£Nil).

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

24 Defined benefit obligations (continued)

Contributions amounting to £27,189 (2019: £26,575) and £120,466 (2019: £81,342) were payable to the LGPS and TPS schemes respectively at 31 July 2020 and are included within creditors.

The College has agreed with the LGPS to contribute £14,000 per annum in the next three years to contribute towards the scheme deficit. The position will be reviewed at the next triennial valuation.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. 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

Valuation of the Teachers' Pensions Scheme

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

The latest actuarial valuation was carried out at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government decision to pause the operation of the control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with notional investments held at the valuation date) of £196 billion giving a notional past service deficit of £22 billion. The key results of the valuation and subsequent consultations are:

- Total scheme liabilities of £218 billion;
- Value of notional assets of £196 billion;
- Notional past service deficit of £22 billion;
- Assumed real rate of return is 3% in excess of prices and 2% in excess of earnings;
- Rate of real earnings growth is assumed to be 2.75%;
- Assumed nominal rate of return is 5.06%;

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19. The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs until 31 March 2021. The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to TPS in the year amounted to £973,000 (2019: £617,000).

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.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

24 Defined benefit obligations (continued)

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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by West Midlands Metropolitan Authorities Pension Fund. The total contributions made for the year ended 31 July 2020 was £341,000 of which employer's contributions totalled £253,000 and employees' contributions totalled £98,000. The agreed contribution rate from 1 April 2017 was 17% for employers and range from 5.5% to 12.5%, for employees depending on salary. The contributions from 1 April 2020 were 17.9% for employer and between 5.5% and 12.5% for employees depending on salary.

As a result of the High Court's recent Lloyds ruling on the equalisation of Guaranteed Minimum Pension (GMP) between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is the opinion of the scheme actuary that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

On 22 January 2018, the Government published the outcome to its *indexation and equalisation of GMP in public service pension schemes* consultation concluding that the requirement for public service pension schemes to fully protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 2 April 2016.

The actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the actuaries do not believe they need to make any adjustments to the value placed on liabilities as a result of the above outcome.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2020 by a qualified independent actuary.

	At 31 July 2020	At 31 July 2019
Rate of increase in salaries	3.20%	3.85%
Future pension increases	2.20%	2.35%
Discount rate for scheme liabilities	1.4%	2.10%
Inflation assumptions (CPI)	2.20%	2.35%
Commutation of pensions to lump sums	50%	50%
The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:		
	At 31 July 2020	At 31 July 2019
Retiring today		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years		
Males	23.8	22.6
Females	26.0	25.0

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

24 Defined benefit obligations (continued)

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

	Fair Value at 31 July 2020 £'000	Fair Value at 31 July 2019 £'000
Equity instruments	4,598	5,206
Debt instruments	2,428	2,434
Property	617	707
Cash	543	313
Total fair value of plan assets	8,186	8,660
Actual return on plan assets	.177	508

These Accounts show a 2019 past service cost of £98,000 in respect of the McCloud judgement which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision was just under 1% of the total scheme liability as at 31 July 2019.

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

	2020 £'000	2019 £'000
Amounts included in staff costs		
Current service cost	530	585
Admin expenses	5	4
Total	535	589
Amounts included in interest and other finance costs		
Net interest expense	(65)	(60)
Amount recognised in other comprehensive income		
Return on pension plan assets	(5)	295
Changes in assumptions underlying the present value of plan obligations	(4,652)	(737)
Amount recognised in other comprehensive income	(4,657)	(442)

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

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

	2020	2019
	£'000	£'000
Net defined benefit (liability) / asset in scheme at 1st August	(3,231)	(2,391)
Movement in year:		
Current service cost	(530)	(487)
Past Service costs	-	(98)
Employer contributions	264	251
Administrative expenses	(5)	(4)
Net interest on the defined (liability) / asset	(65)	(60)
Actuarial (loss)/gain	(4,657)	(442)
Net defined benefit (liability) / asset at 31st July	(8,224)	(3,231)

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations	2020	2019
	£'000	£'000
Defined benefit obligations at start of period	11,891	10,332
Current service cost	530	487
Past Service costs	-	98
Interest cost	247	273
Contributions by scheme participants	88	94
Change in financial assumptions	3,971	737
Benefits paid	(317)	(130)
Defined benefit obligations at end of period	16,410	11,891
Changes in fair value of plan assets		
Fair value of plan assets at start of period	8,660	7,941
Interest on plan assets	182	213
Return on plan assets	(5)	295
Employer contributions	264	251
Changes in financial assumptions	(681)	
Administrative expenses	(5)	(4)
Contributions by scheme participants	88	94
Benefits paid	(317)	(130)
Fair value of plan assets at end of period	8,186	8,660

25 Related Party Transactions

Owing 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 in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under the related party accounting requirements.

Joseph Chamberlain Sixth Form College

Financial Statements for the Year ended 31 July 2020

Notes to the Accounts (continued)

25 Related Party Transactions (continued)

No Governors. Apart from staff Governors, received any payment whilst performing their duties for the College (2019: None).

Key management compensation is given in note 7.

26 Learner support funds

	2020	2019
	£'000	£'000
Amount unspent at 1 August 2019	70	0
Funding body grants - discretionary/vulnerable learner support	793	731
	<u>863</u>	<u>731</u>
Disbursed to students	(840)	(626)
Administration costs	(39)	(35)
	<u>(16)</u>	<u>70</u>
Balance (overspent)/unspent as at 31 July	(16)	70

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income. The grants received are from both the ESFA and the WMCA. The College spent more than its allocation and the overspend has been included in other operating expenses.

Joseph Chamberlain Sixth Form College

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

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 6 November 2020 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA"), to obtain limited assurance about whether the expenditure disbursed and income received by Joseph Chamberlain Sixth Form College during the period 1 August 2019 to 31 July 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

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

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

Responsibilities of Corporation of Joseph Chamberlain Sixth Form College for regularity

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

Reporting accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the ACoP.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and

Joseph Chamberlain Sixth Form College

Independent Reporting Accountant's report on regularity to the Corporation of Joseph Chamberlain Sixth Form College and the Secretary of State for Education acting through the Department for Education (Continued)

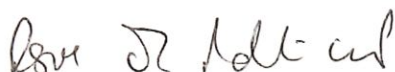
Reporting accountant's responsibilities for reporting on regularity (continued)

contracts with the ESFA and high-level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

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

Use of our report

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



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Date: 28 January 2021