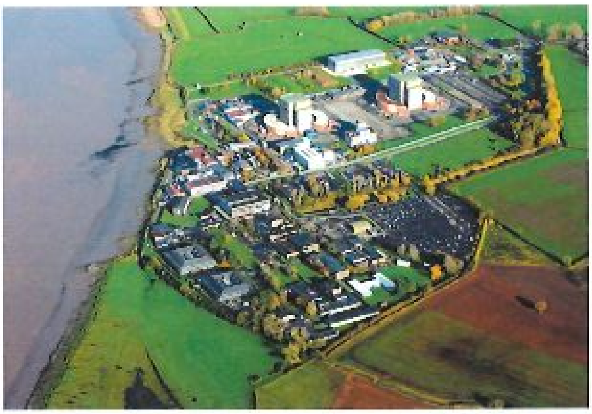
South Gloucestershire and Stroud College
Annual Report and Financial Statements
Year ended 31 July 2019

South Gloucestershire and Stroud College

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South Gloucestershire and Stroud College

Reference and Administrative Details

Board of Governors
A full list of Governors is given on pages 13-15.
Mrs S Glover acted as Clerk to the Corporation throughout the period.

Clerk to the Corporation
Mrs S Glover

Senior management team
Kevin Hamblin, Group CEO & Executive Principal; Accounting Officer
Sara-Jane Watkins, College Principal
Judith Saunderson, Group Chief Financial Officer
Andy Slaney, Chief Operations Officer – Commercial & Estates
Moira Foster-Fitzgerald, Chief Group Services Officer

Principal and Registered Office Stratford Road, Stroud, Gloucestershire, GL5 4AH

Professional advisors

External auditors:	KPMG LLP, Birmingham
Solicitors:	Menzies Law, Bristol / FootAnstey LLP, Bristol
Bankers:	Lloyds Bank plc, Bristol

South Gloucestershire and Stroud College

Strategic Report

OBJECTIVES AND STRATEGY

The Corporation present their annual report together with the financial statements and auditor's report for South Gloucestershire and Stroud College for the year ended 31 July 2019.

Legal status

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

The Group includes the College and its subsidiary undertakings, South Gloucestershire and Stroud College Commercial Services Limited (company number 9241494) and SGS Group Services Limited (a dormant company, company number 9791671).

SGS Commercial Services Limited was formed on 30 September 2014 and SGS Group Services Limited was formed on 23 September 2015, both as private companies limited by shares under the Companies Act 2006.

The College is the registered holder of one fully paid ordinary share in each company. These shares comprise the only issued share capital of the companies.

The Directors of the companies are disclosed on pages 17-18.

Mission and Strategy

The Corporation has adopted the following mission statement:

"We positively change people's lives and add value to the social and economic wellbeing of our communities. We do this by providing high quality, innovative, accessible education and training in a friendly culture of mutual respect and support."

- The College has adopted the following strategic priorities.
- To be recognised as an outstanding College.
- To be visionary and innovative in providing educational opportunities by anticipating and meeting demand.
- To enhance the quality of the experience we provide for our learners and our staff.
- To develop responsive partnerships with all our learners, employers, and all our stakeholders.
- To ensure we have the necessary resources to support our Plan.
- To provide an educational and training environment which is equipped for the delivery of high quality learning.

Resources

The Group operated from four main campuses at Stroud, Filton Avenue, Berkeley and WISE, with specialist satellite campuses for the School of Art and Design at the Royal West of England Art

Academy at Queen's Road in Clifton and the Bristol School of Animal Management and Conservation at Bristol Zoological Gardens, also in Clifton.

Stakeholders

In line with other colleges and with universities, South Gloucestershire and Stroud College has many stakeholders. These include:

- Learners
- Parents
- Education sector funding bodies
- FE Commissioner
- Staff
- Local employers
- Our partners including Schools, other training providers
- Local and Combined Local Authorities
- Local Enterprise Partnerships (LEPs)
- Our Communities
- Our supply chain
- Other FE and HE institutions
- Trade Unions
- Professional bodies
- Private Training Partners
- University Technical Colleges
- Academy Trusts, in particular South Gloucestershire and Stroud Academy Trust
- Regulators e.g. the ESFA and the OfS

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

In particular the College considers good communication with its staff to be very important and to this end publishes regular newsletters and bulletins. The College also encourages participation in the staff forum. Staff and student involvement in committees is encouraged with places reserved on the Corporation for staff and student members.

DEVELOPMENT AND PERFORMANCE

Financial Results

The Group generated a deficit before other gains and losses of £1,088k (2017/18: deficit of £1,344k) and total comprehensive income of £-10,002k (2017/18: £4,445k). These financial results include adjustments to the valuation of the Local Government Pension Scheme as detailed in note 25 to the accounts. These are based on the full valuation as at 31 March 2016, rolled forward using assumptions as required by FRS102.

Excluding FRS102 LGPS adjustments, the Group generated a surplus of £999k (2017/18: £456k), a net increase in financial performance of £543k, despite income falling by 0.6% from £37,020k in 2017/18 to £36,780k in 2018/19.

	2018/19 £'000	2017/18 £'000
Surplus before FRS102 and other gains and losses	999	456
FRS102 LGPS adjustments to I&E	(2,087)	(1,800)
Deficit before other gains and losses	(1,088)	(1,344)
FRS102 LGPS actuarial (loss)/gain	(9,083)	5,561
Unrealised surplus on revaluation of assets	169	228
Total comprehensive income	(10,002)	4,445

This result has retained the Group's Good Financial Health score; the actuarial loss is discounted from the Financial Health calculation.

The College has two subsidiary companies, SGS Commercial Services Limited and SGS Group Services Limited. The principal activity of SGS Commercial Services Limited is the management and development of property, whilst SGS Group Services Limited is dormant. Any Surpluses generated by SGS Commercial Services Limited are transferred to the College under deed of covenant.

Reserves

The Group has the following reserves as at 31st July 2019:

Reserve	2018/19 £'000	2017/18 £'000
I&E reserve (excluding pension reserve)	23,612	22,618
Pension reserve	(26,709)	(15,544)
I&E reserve (including pension reserve)	(3,097)	7,074
Revaluation reserve	2,519	2,350
Total accumulated reserves	(578)	9,424

The pension reserve relates to the deficit on the Local Government Pension Scheme.

The Group has cash and short term investment balances of £5,462k (£4,159k 2017/18). The Group wishes to continue to accumulate reserves and cash balances in order to create a contingency fund.

The Group recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the Group's core activities. As at the balance sheet date the Income and Expenditure reserve (including the pension reserve) stands at -£3,097k (2017/18 £7,074k). There are no restricted reserves. It is Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

Sources of income

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2018/9, ESFA provided 74% of the Group's total income.

FUTURE PROSPECTS

Developments

The new campus at Berkeley Green (Gloucestershire Science & Technology Park) has provided increased capacity and the College will seek to increase student numbers over the next three years.

The College would like to reduce dependency on the funding bodies and is seeking opportunities particularly in the areas where the College currently performs well such as Higher Education.

Having due regard to best practice developments in the UK Corporate Governance Code 2016 in respect of going concern and risk management reporting and taking account of the current position and principal risks, the College believes it will be able to continue in operation and meet its liabilities, for the foreseeable future.

Financial plan

The College has an ambitious Property Strategy. Our immediate focus over the next 12 months is the completion of the LEP funded Growth Hub at Stroud, and commencement of the £7m WECA-funded Brunel Building due to open September 2021.

The Corporation approved a financial plan in July 2019 which sets objectives for the period to July 2021.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. The Group has a separate treasury management policy in place. All loans and other forms of borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum. As at 31 July 2019, the Group had borrowing with Lloyds TSB Bank of £9.2m, detailed in note 18.

Cash flows and liquidity

The Group had a net cash inflow from operating activities of £2,946k (2017/18 £1,374k). The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year this margin was comfortably exceeded.

During the year the Group had a total cash inflow of £1,305k (2017/18 inflow of £147k).

Going Concern

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

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

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

A risk register is maintained at the College and subsidiary levels which are reviewed by the Audit Committee at every meeting and subsequently by the Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

- Risk 1 – Reduction our main 16-18 funding allocation due to a higher proportion of 18 plus learners and the reduced funding they receive
- Risk 2 – Inability to grow apprenticeships to match the demand due to reducing allocations and overly complex systems
- Risk 3 – Inability to recruit and retain staff due to the poor levels of funding that the College receives.

KEY PERFORMANCE INDICATORS

Key performance Indicator	Measure/Target	Actual for 2018/9
Pay to total income (excl. restructuring)	**<67%**	**62.6%**
Adjusted current ratio	**Above 1.2:1**	**1.52:1**
Financial Health Grade	**Good**	**Good**
Operating surplus/EBITDA as % of income	**>4.0%**	**6.2%**

Student achievements

2018/19 was a challenging year with the third consecutive annual restructure as the result of continued austerity measures and the need to make over £1.2m of staff savings at the end of the academic year. Despite this, the academic outturn for the 2018/19 academic year, both classroom and work-based, improved which reinforces the commitment and attitude of staff.

Our overall classroom based provision achievement was 88.4%, up 2.7% on 2017/18 – and which is 2.5% above national average. We are hopeful that this will see us return to the top decile of colleges nationally. For 16-18 outturn was 82.1%, up 0.6% on 2017/18 and 0.4% above national average. For 19+ outturn was 90.4%, up 1.2% on 2017/18 and 0.4% above national average.

One of the most challenging areas of the College's provision is Maths and English with nearly half of our full-time 16-18 learners commencing SGS without a pass at Grade 4 in either Maths or English, this is a far greater percentage than most of our competitors due to the weak performance of secondary schools within South Gloucestershire. Despite the challenges of delivering Maths and English qualifications as part of the conditionality of funding, we continued to make improvements. In Functional Skills (all); our outturn was 77.2%, up 4.4% on 2017/18 and 7.6% above national average. 16-18 Functional Skills outturn was 69% steady on 2017/18 and 5.6% above the national average and 19+ FS = 86.5%, up 4.6% on 2017/18 - 9.2% above national average. We held our 2017/18 performance for GCSE Maths and English and this is a continued focus of improvement.

Our ambition is to achieve outstanding during our next full Ofsted inspection. With their new Education Inspection Framework, a greater emphasis is placed on the wrap around skills and support that learners are provided with including enrichment, skills acquisition and tutorial. Less focus will be placed on outcomes and a greater need to prove long-term destinations. With this in mind, the College will be required to make further investment.

On non-classroom based apprenticeship provision, the College addressed an area of concern based on the previous year's performance and Apprenticeships overall out turn was 75.2% up 9.1% on 2017/18 and 7.9% above the national average.

During 2018/19, the College delivered to 350 degree level learners and achieved significant improvements with student completion rates at 80%, an increase of 7% in year; retention rates at 84% an increase of 4% and the overall pass rate on all regulated Higher Education Provision at 96%, a 6% increase in performance from 2017-18. Most pleasing was the degree student satisfaction on registered courses which rose from 82% in 2017/18, to 90% in 2018/19, giving some of the best results in the region and an 8% increase on the previous year.

Public Benefit

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

In delivering its mission, the College provides identifiable public benefits through the advancement of education to over 4000 16-18 year olds, 3000 adults, 450 HE learners, 2000 leisure leavers and 2000 apprentices of which over 300 are high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths course. The college adjusts its courses to meet the needs of local employers and provides training to 2000 apprentices. The college is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background.

Equality

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

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

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

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has achieved accreditation to the Committed to Equality (C2E) standard at the gold (highest) level. The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

Disability statement

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

a) All main campuses are considered fully compliant based on individual campus' access audits

b) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.

c) The College makes a significant investment in the appointment of specialist staff to support students with learning difficulties and/or disabilities. There are a number of learning support workers who provide a variety of support for learning, details of which are provided in the College's provision map, which is published on the College website. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

Trade union facility time

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

Numbers of employees who were trade union officials 18-19	FTE employee number
5	4.78

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

Total cost of facility time	£29.5k
Total pay bill	£24,661k
Percentage of total bill spent on facility time	0.12%
Time spent on paid trade union activities as a percentage of total paid facility time	10%

Payment performance

The Public Contracts Regulations 2015, in the absence of agreement to the contrary, requires payments to suppliers to be made no later than the end of a period of 30 days from the date on which the relevant invoice is regarded as valid and undisputed. During the accounting period 1 August 2018 to 31 July 2019, the College paid 85.5% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE REPORTING PERIOD

There have been no reportable events since the Balance Sheet date – 31 July 2019.

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Corporation on 5 December 2019 and signed on its behalf by:

Moyra Pascoe.

Moyra Pascoe
Chair of the Corporation

South Gloucestershire and Stroud College

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 1st August 2018 to 31st July 2019 and up to the date of approval of the annual report and financial statements.

The College Group 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")
3. in full accordance with Association of Colleges' Senior Post Holder Remuneration Code.

In the opinion of the Corporation, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2019. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 17 September 2015 and The Colleges' Senior Post Holder Remuneration Code, which it formally adopted on 28 March 2019.

The Corporation

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

Member's Name	Status of appointment	Date of appointment	Term of office	Date of resignation	Committees served	Meeting attendance in 2018/9
Kevin Hamblin	Group CEO & Executive Principal	Jan 12	Coterminous with his employment as Group CEO & Executive Principal		Search Strategic Property Group	100%
Martin Jones (Vice Chair of the Corporation)	External Member	Jan 12 Jan 16	4 years 4 years		Strategic Property Group Remuneration (Chair) Search (Vice Chair)	83%
Moyra Pascoe (Chair of the Corporation from 1 Aug 18)	External Member	Jan 12 Jan 16	4 years 4 years		Search Strategic Property Group (Vice-Chair) Remuneration	79%
Roger Ellis	Staff Member	Mar 12 Aug 13 Aug 17	Until 31 Jul 13 4 years 4 years			50%
Phil Eames	External Member	Oct 15 Oct 19	4 years 4 years		Audit (Vice Chair)	100%
Richard O'Doherty	External Member	May 16	4 years		Remuneration (Vice Chair)	85%
Joe Lamonby	External Member	Oct 16	4 years		Audit (until Oct 19)	78%

Member's Name	Status of appointment	Date of appointment	Term of office	Date of resignation	Committees served	Meeting attendance in 2018/9
					Search (until Oct 19)	
Mike Croker	External Member	May 17	4 years		Audit (Chair)	93%
Craig Dickinson	Staff Member	Dec 17	4 years	26 Jul 19	SPG	64%
David Benson	External Member	Jan 18	4 years		Strategic Property Group (Chair)	65%
Dave Merrett	External Member	Jan 18	4 years		Audit Remuneration	82%
Sophie Chester-Glyn	External Member	Mar 18	4 years		Search	73%
Ella Babbage	Student Member	Aug 18	Until 31 Jul 19	18 Sep 18		N/A
Harrison Festa Adams	Student Member	Aug 18	Until 31 Jul 19	19 Feb 19		40%
David Hagg	External Member	Oct 18	4 years		Remuneration	82%
Ben Short	External Member	Dec 18	1st year term of office		Audit (from Oct 19)	57%
Roksana Paruzel	Student Member	Feb 19	Until 31 Jul 19			20%
Sophie Green	External Member	Feb 19	1st year term of office		Search (from Oct 19)	60%
Carly Dyson	External Member	May 19	1st year term of office		Strategic Property Group (from Oct 19)	50%
Charlotte Argust	Student Member	Aug 19	Until 31 Jul 19			N/A
Juno Sharrock	Student Member	Aug 19	Until 31 Jul 20			N/A

Member's Name	Status of appointment	Date of appointment	Term of office	Date of resignation	Committees served	Meeting attendance in 2018/9
Matt Davis	Staff Member	Oct 19	4 years			

Mrs Prue Taylour, external Co-Opted Member, was also a member and Chair of the Search Committee until her resignation on 5 April 2019. Mrs Taylour was then replaced as Chair of the Search Committee by Mrs Laura Boutle, external Co-Opted Member.
Mr John Huggett, external Co-Opted Member, was also a member of the Strategic Property Group.
Mrs Sally Flett, external Co-Opted Member, was also a member of the Audit Committee.
Mrs Sharon Glover acted as Clerk to the Corporation and Company Secretary to the College's subsidiary companies.

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 met 10 times during the 2018/19 financial year.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Audit, Search, Remuneration and the Strategic Property Group. The Audit Committee meets four times per year, the Search Committee is convened as necessary but meets at least once per year, the Remuneration Committee meets at least twice a year and the Strategic Property Group is convened as necessary.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website or from the Clerk to the Corporation at the College's registered address.

The Clerk to the Corporation maintains a register of financial and personal interests of Members and external Co-Opted Members of the Corporation. The register is available for inspection at the College's registered address.

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

Formal agendas, papers and reports are supplied to Corporation Members in a timely manner, prior to Corporation meetings. Briefings are also provided on a regular 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 Group CEO & Executive Principal (Accounting Officer) are separate.

Appointments to the Corporation

External Members of the Corporation/external Co-Opted Members are initially appointed for a one-year term of office with a view to completing the full four year term of office following recommendation from the Search Committee. An External member should not normally serve for more than two terms (or maximum of 8 years). However, the Corporation may reappoint an External member for further terms if there are special reasons. Staff Members are appointed following staff elections and Student Members are appointed following student elections.

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 of an external Co-Opted Member as Chair and five members of the Corporation (Chair of the Corporation, Group CEO & Executive Principal and three other Corporation Members). The Committee is responsible for the selection and nomination of any new external member for the Corporation's consideration in accordance with the Procedure for the appointment, reappointment, induction and training of Corporation Members. The Committee is also responsible for monitoring the diversity balance of the Corporation and recommending appointments to remedy any under-representation when appropriate. The Committee also has due regard to the College's obligations under all aspects of discrimination legislation.

The Corporation is also responsible for ensuring that appropriate training is provided to members of the Corporation as required. In this respect arrangements are made to ensure that each new Corporation/Co-Opted Member is afforded the opportunity to attend induction training. High quality training and development arrangements are also available both for individual members and for the Corporation as a whole so that collectively the Corporation has the necessary skills and understanding to fulfil its responsibilities under the Instrument and Articles of Government and to enable members to make an effective contribution to the work of the Corporation.

Corporation performance

The Corporation conducts a rigorous annual self-assessment of its own performance and this forms the basis of the Governance Self-Assessment Report and governance action plan. The Corporation carried out a self-assessment of its own performance for the year ended 31st July 2019 and graded itself as "Outstanding" on the Ofsted scale.

Remuneration Committee

The Remuneration Committee consists of five members of the Corporation. Throughout the year ending 31 July 2019 the remuneration and benefits of Senior Post holders (including the Accounting Officer), other posts within the SGS Group specifically named by the Corporation and the Clerk to the Corporation were the subject of recommendations to the Corporation by the Remuneration Committee appointed by the Corporation for that purpose.

At its 28 March 2019 meeting the Corporation approved to adopt The Colleges' Senior Post Holder Remuneration Code. A requirement of this Code is the production of an annual report from the Remuneration Committee to the Corporation. The report for period 2018/19 is appended to this Annual Report and Financial Statements as Appendix 1.

Details of remuneration for the year ended 31 July 2019 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee consists of at least three and up to five external members of the Corporation and also includes the option to appoint one external Co-opted member. The Group CEO & Executive Principal, who is the Accounting Officer, and the Chair of the Corporation are not members of the Committee. The Committee operates in accordance with written terms of reference approved by the Corporation.

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

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan 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, reappointment, dismissal and remuneration of the financial statements and regularity auditors and other assurance providers, including internal auditors as well as reporting annually to the Corporation.

Strategic Property Group (SPG)

The SPG comprises of the Chair of the Corporation, Group CEO & Executive Principal, a minimum of three other Corporation Members, one external Co-Opted Member, Group Chief Financial Officer and the Chief Operations Officer Commercial & Estates. The Group operates in accordance with written terms of reference approved by the Corporation.

The SPG is a working group of the Corporation, its role is to oversee the initiation, development and implementation of capital estates projects and associated business cases and the Property Strategy in accordance with Corporation requirements.

South Gloucestershire and Stroud College Commercial Services Limited

The Directors of the company are:

Name	Position	Date of appointment
Kevin Hamblin	Managing Director	30 September 2014
Andy Slaney	Deputy Managing Director	30 September 2014
Martin Jones	Director & Chair	30 September 2014
Stephen Marston	Director	13 November 2014
John Huggett	Director	1 August 2018
David Hagg	Director	6 December 2018

SGS Group Services Limited

The Directors of the company are:

Name	Position	Date of appointment
Kevin Hamblin	Managing Director	23 September 2015
Sara-Jane Watkins	Director	23 September 2015
Martin Jones	Director & Chair	23 September 2015

SGS Group Services Limited became a dormant company during 2016.

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Group CEO & Executive Principal, as Accounting Officer, and College Principal for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between South Gloucestershire and Stroud 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 ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Gloucestershire and Stroud College for the year ended 31 July 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2019 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.

South Gloucestershire and Stroud College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are approved by the Corporation on the recommendation of the Audit Committee.

At minimum, annually, the Head of Internal Audit (HIA) provides the Corporation with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

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

- the work of the 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, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

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

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

Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its December 2019 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2019 by considering documentation from the Senior Leadership Team and internal audit, and taking account of events since 31 July 2019.

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

Approved by order of the members of the Corporation on 5 December 2019 and signed on its behalf by:

Moyra Pascoe

Moyra Pascoe
Chair of the Corporation

Kevin Hamblin
Accounting Officer

South Gloucestershire and Stroud College

Statement of Regularity, Propriety and Compliance

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

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

Kevin Hamblin
Accounting Officer
5 December 2019

Moyra Pascoe

Moyra Pascoe
Chair of the Corporation
5 December 2019

South Gloucestershire and Stroud College

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's grant funding agreements and contracts with ESFA, the Corporation – through its Accounting Officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the college and its surplus / deficit of income over expenditure for that period.

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Corporation is responsible for keeping 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 relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

Approved by order of the members of the Corporation on 5 December 2019 and signed on its behalf by:

Moyra Pascoe.

Moyra Pascoe
Chair of the Corporation

South Gloucestershire and Stroud College

Independent auditor's report to the Corporation of South Gloucestershire and Stroud College

Opinion

We have audited the financial statements of South Gloucestershire and Stroud College ("the College") for the year ended 31 July 2019 which comprise the Consolidated and College Statement of Comprehensive Income and Expenditure, the Consolidated and College Statement of Changes in Reserves, the Balance sheets, the Consolidated statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the College's affairs as at 31 July 2019, and of the Group's and the College's income and expenditure, gains and losses, changes in reserves, and cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland,* and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education.*

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Corporation has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the College or to cease their operations, and as they have concluded that the Group and the College's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Corporation's conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group and the College's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the College will continue in operation.

Other information

The Corporation is responsible for the other information, which comprises the Report of the Governing Body and the Statement of Corporate Governance and Internal Control, the Statement of Regularity, Propriety and Compliance and Statement of Responsibilities of the Members of the Corporation. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Post-16 Audit Code of Practice 2018 to 2019 (February 2019) issued by the Education and Skills Funding Agency we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Corporation's responsibilities

As explained more fully in their statement set out on pages 22-23, the Corporation is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 it either intends to liquidate the group or the parent College or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Corporation, in accordance with Article 16 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation for our audit work, for this report, or for the opinions we have formed.

Anthony Felthouse
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

18 December 2019

South Gloucestershire and Stroud College

Reporting Accountant's Report on Regularity to the Corporation of South Gloucestershire and Stroud College and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 1 June 2017 and further to the requirements and conditions of funding in ESFA grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by South Gloucestershire and Stroud College during the period 1 August 2018 to 31 July 2019 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice 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.

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

Respective responsibilities of South Gloucestershire and Stroud College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Post-16 Audit Code of Practice. 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 2018 to 31 July 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Post-16 Audit Code of Practice issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

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

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

The work undertaken to draw our conclusion included:

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

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Post-16 Audit Code of Practice.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2018 to 31 July 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A R

Anthony Felthouse
For and on behalf of KPMG LLP, Reporting Accountant
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

18 December 2019

South Gloucestershire and Stroud College

Consolidated and College Statements of Comprehensive Income and Expenditure
For the year ended 31 July 2019

	Notes	Year ended 31 July 2019 Group £'000	Year ended 31 July 2019 College £'000	Year ended 31 July 2018 Group £'000	Year ended 31 July 2018 College £'000
INCOME					
Funding body grants	2	28,990	28,990	28,990	28,990
Tuition fees and education contracts	3	3,670	3,670	3,654	3,654
Other grants and contracts	4	1,306	1,306	1,624	1,624
Other income	5	2,783	2,175	2,744	2,401
Endowment and investment income	6	30	95	8	63
Total income		**36,779**	**36,236**	**37,020**	**36,732**
EXPENDITURE					
Staff costs	7	24,899	24,899	25,162	25,162
Other operating expenses	8	10,472	9,982	10,684	10,370
Depreciation	11	1,774	1,774	1,764	1,764
Interest and other finance costs	9	722	722	754	754
Total expenditure		**37,867**	**37,377**	**38,364**	**38,050**
Deficit before other gains and losses		**(1,088)**	**(1,141)**	**(1,344)**	**(1,318)**
Loss on disposal of assets	11	-	-	-	-
Deficit before tax		**(1,088)**	**(1,141)**	**(1,344)**	**(1,318)**
Taxation	10	-	-	-	-
Deficit for the year	11	**(1,088)**	**(1,141)**	**(1,344)**	**(1,318)**
Unrealised surplus on revaluation of assets		169	231	228	-
Actuarial (loss)/gain in respect of pensions schemes	19	(9,083)	(9,083)	5,561	5,561
Total Comprehensive Income for the year		**(10,002)**	**(9,995)**	**4,445**	**4,243**

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

The accompanying notes form an integral part of the Financial Statements.

South Gloucestershire and Stroud College

Consolidated and College Statements of Changes in Reserves

For the year ended 31 July 2019

	Income and Expenditure account	Revaluation reserve	Total excluding Non controlling interest	Total
	£'000	£'000	£'000	£'000
Group				
Balance at 31 July 2017	2,857	2,122	4,979	4,979
Deficit from the income and expenditure account	(1,344)	-	(1,344)	(1,344)
Other comprehensive income	5,561	-	5,561	5,561
Unrealised surplus on revaluation of assets	-	228	228	228
Total comprehensive income for the year	4,217	228	4,445	4,445
Balance at 31 July 2018	7,074	2,350	9,424	9,424
Deficit from the income and expenditure account	(1,088)	-	(1,088)	(1,088)
Other comprehensive income	(9,083)	-	(9,083)	(9,083)
Unrealised gain on revaluation of assets	-	169	169	169
Total comprehensive income for the year	(10,171)	169	(10,002)	(10,002)
Balance at 31 July 2019	(3,097)	2,519	(578)	(578)
College				
Balance at 31 July 2017	3,175	2,072	5,247	5,247
Deficit from the income and expenditure account	(1,318)	-	(1,318)	(1,318)
Other comprehensive income	5,561	-	5,561	5,561
Total comprehensive income for the year	4,243	-	4,243	4,243
Balance at 31 July 2018	7,418	2,072	9,490	9,490
Deficit from the income and expenditure account	(1,143)	-	(1,143)	(1,143)
Other comprehensive income	(9,083)	-	(9,083)	(9,083)
Unrealised gain on revaluation of assets	-	231	231	231
Total comprehensive Income for the year	(10,226)	231	(9,995)	(9,995)
Balance at 31 July 2019	(2,808)	2,303	(505)	(505)

The accompanying notes form an integral part of the Financial Statements.

South Gloucestershire and Stroud College

Balance Sheets as at 31 July 2019

	Notes	Group 2019 £'000	College 2019 £'000	Group 2018 £'000	College 2018 £'000
Fixed assets					
Tangible fixed assets	11	51,114	51,114	51,450	51,450
Investment Property	12	3,456	690	3,271	459
Non current Investments	13	2	2	2	2
		54,572	51,806	54,723	51,911
Long Term Debtors					
Debtors falling due after more than one year	15	-	2,222	-	2,119
Current assets					
Stocks		30	30	40	40
Trade and other receivables	14	1,495	1,610	1,896	2,169
Cash and cash equivalents	20	5,464	5,445	4,159	4,035
		6,989	7,085	6,095	6,244
Less: Creditors – amounts falling due within one year	16	(5,438)	(5,088)	(5,275)	(4,844)
Net current assets		1,551	1,997	820	1,400
Total assets less current liabilities		56,123	56,025	55,543	55,430
Less: Creditors – amounts falling due after more than a year	17	(29,815)	(29,645)	(30,351)	(30,172)
Provisions					
Defined benefit obligations	19	(26,709)	(26,709)	(15,544)	(15,544)
Other provisions	19	(177)	(177)	(222)	(222)
Total net assets		(578)	(506)	9,426	9,492
Unrestricted reserves					
Income and expenditure account		(3,097)	(2,808)	7,074	7,418
Revaluation reserve		2,519	2,303	2,350	2,072
Total unrestricted reserves		(578)	(505)	9,424	9,490
Total reserves		(578)	(505)	9,424	9,490

The financial statements on pages 29 to 59 were approved and authorised for issue by the Corporation on 5 December 2019 and were signed on its behalf on that date by:

Moyra Pascoe.

Moyra Pascoe
Chair

Kevin Hamblin
Accounting Officer

The accompanying notes form an integral part of the Financial Statements.

South Gloucestershire and Stroud College

Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Cash inflow from operating activities			
Deficit for the year		(1,088)	(1,344)
Adjustment for non cash items			
Depreciation		1,774	1,764
Decrease in stocks		10	-
(Increase)/Decrease in debtors		401	(349)
Increase/(Decrease) in creditors due within one year		128	(259)
Increase in creditors due after one year		218	137
Decrease in provisions		(45)	(17)
Pensions costs less contributions payable		1,612	1,276
Adjustment for investing or financing activities			
Deferred capital grants released to income		(587)	(580)
Gain on revaluation of non current investments		(169)	-
Investment income		(30)	(8)
Interest payable		722	754
Net cash flow from operating activities		**2,946**	**1,374**
Cash flows from investing activities			
Proceeds from sale of fixed asset investments		-	3
Investment income		30	8
Capital Grant income received		768	211
Payments made to acquire fixed assets		(1,438)	(522)
		(640)	(300)
Cash flows from financing activities			
Interest paid		(247)	(230)
Repayments of amounts borrowed		(754)	(697)
		(1,001)	(927)
Increase in cash and cash equivalents in the year		**1,305**	**147**
Cash and cash equivalents at beginning of the year	20	4,159	4,012
Cash and cash equivalents at end of the year	20	5,464	4,159

The accompanying notes form an integral part of the Financial Statements.

South Gloucestershire and Stroud College

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

1. 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 2018 to 2019* 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 FRS102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention (modified by the use revaluation of certain fixed assets).

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, South Gloucestershire and Stroud Commercial Services Limited and SGS Group Services Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. The results of SGS Academy Trust are not consolidated. All financial statements are made up to 31 July 2019.

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 cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The College currently has £9.2m of loans outstanding with bankers. The loans are secured by a fixed charge over College assets. The terms of the existing loan agreements vary between 5 and 25 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

1. Statement of Accounting Policies (Continued)

Accordingly the College has 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 *Revenue grant funding* in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any audits. 16-18 learner- responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from Office for Students and Research English represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive income.

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

Capital Grant Funding

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

Fee Income

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

Investment Income

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

Agency Arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

1. Statement of Accounting Policies (Continued)

Students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Non-recurrent grants from the Education and Skills Funding Agency or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

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

Accounting for Post-Employment Benefits

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

Teachers' Pension Scheme (TPS)

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

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

Avon Pension Fund Local Government Pension Scheme (LGPS)

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

1. Statement of Accounting Policies (Continued)

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

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

Short term Employment benefits

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

Enhanced Pensions

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

Non-current Assets - Tangible fixed assets

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

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

Land and buildings

Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful economic life to the College of up to 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of up to 50 years.

On adoption of FRS102, the College followed the transitional provision to revalue its land at 1 August 2014 but not to adopt a policy of revaluation of this land in the future.

1. Statement of Accounting Policies (Continued)

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.

Investment Properties

Assets held for investment purposes are revalued on an annual basis and capitalised at revalued amount. Any gains or losses on revaluation are transferred to the revaluation reserve.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the income and expenditure 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 or less than £1,000 as part of a group of assets is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

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

- Computer equipment – 3-5 years
- All other equipment – 5 years.

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

Borrowing costs

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

Leased assets

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

1. Statement of Accounting Policies (Continued)

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

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

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

Investments in subsidiaries

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

Stocks

Stocks are valued at the lower of their cost and net realisable value, being selling prices less costs to sell. Cost is based on a first in first out basis and net realisable value is based on estimated sales price. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

1. Statement of Accounting Policies (Continued)

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes.

Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. 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.

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

1. Statement of Accounting Policies (Continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

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

Other key sources of estimation uncertainty

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

- *Investment Property* - Investment property is held at valuation. Valuation is carried out by suitably qualified professionals but by its nature valuation of property includes a variety of assumptions that affect the valuation arrived at.

- *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 25, 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 2016 has been used by the actuary in valuing the pensions liability at 31 July 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

2 Funding council grants

	Year ended 31 July		Year ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Recurrent grants				
Education and Skills Funding Agency - adult	3,967	3,967	3,348	3,348
Education and Skills Funding Agency - 16 -18	19,160	19,160	19,919	19,919
Education and Skills Funding Agency - apprenticeships	4,183	4,183	4,000	4,000
Higher Education Funding Council	129	129	157	157
Specific Grants				
Releases of government capital grants	587	587	580	580
LEA High Needs ALS	964	964	986	986
Total	**28,990**	**28,990**	**28,990**	**28,990**

3 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult education fees	743	743	802	802
Fees for FE loan supported courses	458	458	541	541
Fees for HE loan supported courses	2,308	2,308	2,098	2,098
Total tuition fees	**3,509**	**3,509**	**3,441**	**3,441**
Education contracts	161	161	213	213
Total	**3,670**	**3,670**	**3,654**	**3,654**

4 Other grants and contracts

	Year ended 31 July		Year ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£'000	£'000	£'000	£'000
European Commission	834	834	1,177	1,177
Other grants and contracts	472	472	447	447
Total	**1,306**	**1,306**	**1,624**	**1,624**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

5 Other income

	Year ended 31 July		Year ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other income generating activities	1,733	1,115	1,788	1,319
Miscellaneous income	1,050	1,060	956	1,082
Total	**2,783**	**2,175**	**2,744**	**2,401**

6 Investment income

	Year ended 31 July		Year ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	30	95	8	63
	30	**95**	**8**	**63**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

7 Staff costs - Group and College

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

	Group 2019 No.	College 2019 No.	Group 2018 No.	College 2018 No.
Teaching staff	254	254	280	280
Non teaching staff	378	375	391	389
	632	**629**	**671**	**669**

Staff costs for the above persons	**2019 £'000**	**2019 £'000**	**2018 £'000**	**2018 £'000**
Wages and salaries	18,562	18,562	19,079	19,079
Social security costs	1,571	1,571	1,625	1,625
Other pension costs	4,514	4,514	4,329	4,329
Payroll sub total	**24,647**	**24,647**	**25,033**	**25,033**
Fundamental restructuring costs - contractual	252	252	129	129
Total staff costs	**24,899**	**24,899**	**25,162**	**25,162**

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 Group Executive Team which comprises the Group CEO and Executive Principal, College Principal and Deputy CEO, Group Chief Financial Officer, Chief Group Services Officer and Chief Operations Officer, Commercial and Estates.

The College's Accounting Officer and other key management personnel are paid a fair and appropriate remuneration based on the value delivered by the individual acting within their role. The value factors considered by the College Corporation, through their Remuneration Committee, are market rates, roles, skills and experience. The remuneration packages of both the Accounting Officer and other key management personnel are regularly bench marked within the sector and remuneration decisions are based on robust evidence and consider both internal operational remits but also wider strategic projects and the long-term ambitions of the SGS College Group.

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

	Group and College 2019 No.	2018 No.
The number of key management personnel including the Accounting Officer was:	5	6

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

7 Staff costs - Group and College (continued)

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

	Group and College Key management personnel		Group and College Other staff	
	2019	2018	2019	2018
	No.	No.	No.	No.
£60,001 to £65,000	-	-	2	-
£80,001 to £85,000	1	2	-	-
£85,001 to £90,000	1	-	-	-
£90,001 to £95,000	-	1	-	-
£100,001 to £105,000	1	1	-	-
£120,001 to £125,000	-	1	-	-
£145,001 to £150,000	1	-	-	-
£170,001 to £175,000	1	1	-	-
	5	6	2	-

Key management personnel compensation is made up as follows:

	Group and College	
	2019	2018
	£'000	£'000
Salaries	571	604
Employers National Insurance	73	77
Benefits in kind	24	2
	668	683
Pension contributions	83	83
Total emoluments	751	766

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

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

	Group and College	
	2019	2018
	£'000	£'000
Salaries	173	174
Benefits in kind	-	-
	173	174
Pension contributions	27	27

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

7 Staff costs - Group and College (continued)

The Corporation has adopted the AoC's Senior Post Holder Remuneration Code and will assess pay in line with its principles in future.

The remuneration of the Group CEO & Executive Principal is subject to annual review by the Remuneration Committee of the Corporation who use benchmarking information to provide objective guidance.

The Group CEO & Executive Principal reports to the Chair of the Corporation, who undertakes an annual review of his performance, together with the Vice-Chair of the Corporation, against the personal objectives approved by the Corporation.

Appended to the Annual Report and Financial Statements is the annual report of the Remuneration Committee to the Corporation.

	Group and College	
	2019	2018
Relationship of Principal/Chief Executive basic pay and remuneration expressed as a multiple	6.6	6.7
Median Basic Salary (£k per annum)	26	26
Relationship of Principal/Chief Executive total pay and remuneration expressed as a multiple	6.6	6.6
Median Total Salary (£k per annum)	30	30

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

8 Other operating expenses

	Year ended 31 July 2019 Group £'000	Year ended 31 July 2019 College £'000	Year ended 31 July 2018 Group £'000	Year ended 31 July 2018 College £'000
Teaching costs	3,718	3,718	3,737	3,737
Non teaching costs	3,333	3,290	3,920	3,879
Premises costs	3,421	2,974	3,027	2,754
Total	**10,472**	**9,982**	**10,684**	**10,370**

Other operating expenses include:

	2019 £'000	2018 £'000
Auditors' remuneration:		
Financial statements audit*	30	27
Internal audit**	26	25
Other services provided by the financial statements auditors***	5	12
Other services provided by the internal auditors	-	1
Hire of assets under operating leases	237	254

* includes £27,000 in respect of the College (2017/18 £24,000)
** includes £26,000 in respect of the College (201/18 £25,000)
*** includes £0 in respect of the College (2017/18 £12,000)

9 Interest payable - Group and College

	2019 £'000	2018 £'000
On bank loans, overdrafts and other loans:	247	230
	247	230
Enhanced Pension Interest payment	5	-
Net interest on defined pension liability (note 25)	470	524
Total	722	754

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

10 Taxation - Group only

	2019 £'000	2018 £'000
United Kingdom corporation tax at 19 percent	-	-
Provision for deferred corporation tax in the accounts of the subsidiary company	-	-
Total	-	-

A deferred tax liability of £65,619, at 31 July 2019, is associated with the increase in the investment property valuation within SGSCSL. On the basis that the company does not intend to dispose of the property, and as the company is forecasting taxable profits, which could enable the utilisation of a deferred tax asset of at least this amount, the deferred tax liability has not been recognised in the financial statements.

Factors affecting the tax charge for the current year

The current tax charge for the year is £nil (2018: £nil) and the standard rate of corporation tax in the UK is 19.67% (2018: 20%). The difference between the standard rate of corporation tax on the company's loss and the actual charge are explained below.

	2019 £	2018 £
Gain/(Loss) on ordinary activities in subsidiary before tax	55,433	(26,080)
Gain/(Loss) on ordinary activates multiplied by standard rate of corporation tax in the UK of 19.67% (2018: 20%)	10,532	(4,955)
Effects of		
Fixed asset differences	-	76
Expenses not deductible for tax purposes	(1,476)	-
Chargeable gains	(4,356)	7,570
Adjustments closing deferred tax	-	1,263
Adjustments opening deferred tax	-	(3,954)
Deferred tax not recognised	(4,700)	-
	-	-

11 Tangible fixed assets (Group)

	Land and buildings		Equipment	Assets in the Course of Construction	Total
	Freehold	Long leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2018	43,709	20,028	5,789	49	69,575
Additions	-	-	520	918	1,438
Transfer	489	-	-	(489)	-
At 31 July 2019	**44,198**	**20,028**	**6,309**	**478**	**71,013**
Depreciation					
At 1 August 2018	9,643	4,195	4,287	-	18,125
Charge for the year	835	388	551	-	1,774
At 31 July 2019	**10,478**	**4,583**	**4,838**	-	**19,899**
Net book value at 31 July 2019	**33,720**	**15,445**	**1,471**	**478**	**51,114**
Net book value at 31 July 2018	34,066	15,833	1,502	49	51,450

Tangible fixed assets (College only)

	Land and buildings		Equipment	Assets in the Course of Construction	Total
	Freehold	Long leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2018	43,709	20,028	5,789	49	69,575
Additions	-	-	520	918	1,438
Transfer	489	-	-	(489)	-
At 31 July 2019	**44,198**	**20,028**	**6,309**	**478**	**71,013**
Depreciation					
At 1 August 2018	9,643	4,195	4,287	-	18,125
Charge for the year	835	388	551	-	1,774
At 31 July 2019	**10,478**	**4,583**	**4,838**	-	**19,899**
Net book value at 31 July 2019	**33,720**	**15,445**	**1,471**	**478**	**51,114**
Net book value at 31 July 2018	34,066	15,833	1,502	49	51,450

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

11 Tangible fixed assets (continued)

The Filton Avenue campus was valued for the purpose of the financial statements at depreciated replacment cost by King Sturge, a firm of independent chartered surveyors as at February 1993, in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes. All other land and buildings were valued at market value for exisiting use except for additions post 1 April 1993 (including which are included at cost. Other tangible fixed assets Corporation on a depreciated replacement cost basis with the assistance of independent professional advice.

Land with net book values totalling £354,000 (2018: £354,000) have been funded from local education authority sources. Should these assets be sold, the College would either have to surrender the sale proceeds to the Education and Skills Funding Agency or use them in accordance with the Financial Memorandum with the Education and Skills Funding Agency.

Land and buildings with a net book values totalling £21,193,000 (2018: £21,248,000) have been partly financed through the receipt of capital grants from exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum, to surrender the proceeds.

The transitional rules set out in FRS 15 Tangible Fixed Assets were applied on implementing FRS 15. Accordingly the book values at implementation were retained.

Land is not depreciated.

On adoption of FRS 102 the College has followed the transitional provision to revalue its land at 1 August 2014 but not to adopt

12 Investment Property

	Group £'000	College £'000
At valuation		
At 1 August 2018	3,271	459
Reclassification from fixed assets	12	
Additions	609	-
Disposals	(605)	
Gain on revaluation	169	231
At 31 July 2019	**3,456**	**690**

The investment propery was valued by Montagu Evans, Chartered Surveyors and is stated at market value at 31 July 2019.

13 Non current Investments

	College 2019 £	College 2018 £
Investments in subsidiary companies	2	2
Total	**2**	**2**

The College owns 100 per cent of the issued ordinary £1 shares of South Gloucestershire and Stroud Commercial Services Limited, a company incorporated in England and Wales, and 100 per cent of the issued ordinary £1 shares of South Gloucestershire and Stroud College Group Services Limited, a company incorporated in England and Wales. The principal business activity of South Gloucestershire and Stroud Commercial Services Limited is property development and leasing. The principal activity of South Gloucestershire and Stroud College Group Scrivces Limited is the provision of back office services.

14 Trade and other receivables

	Group 2019 £'000	College 2019 £'000	Group 2018 £'000	College 2018 £'000
Amounts falling due within one year:				
Trade receivables	300	147	792	748
Amounts owed by group undertakings:				
Subsidiary undertakings	-	268	-	206
Prepayments and accrued income	887	887	568	679
Amounts owed by the ESFA	308	308	536	536
Total	1,495	1,610	1,896	2,169

15 Debtors falling due after more than one year

	Group 2019 £'000	College 2019 £'000	Group 2018 £'000	College 2018 £'000
Amounts owed by group undertakings:				
Subsidiary undertakings	-	2,222	-	2,119

The College has loaned its subsidiary South Gloucestershire and Stroud Commercial Services Limited £2.5m under a facility agreement. The loan is repayable in instalments over 20 years commencing in November 2017. Interest is charged at 1.75% above LIBOR.

16 Creditors: amounts falling due within one year

	Group 2019 £'000	College 2019 £'000	Group 2018 £'000	College 2018 £'000
Bank loans and overdrafts	753	753	753	753
Trade payables	291	263	438	279
Amounts owed to group undertakings:				
Subsidiary undertakings	-	41	-	3
Other taxation and social security	540	540	494	494
Accruals and deferred income	2,664	2,301	2,435	2,187
Deferred income - government capital grants	590	590	580	580
Deferred income - government revenue grants	600	600	575	548
Total	5,438	5,088	5,275	4,844

17 Creditors: amounts falling due after one year

	Group 2019 £'000	College 2019 £'000	Group 2018 £'000	College 2018 £'000
Bank loans	8,405	8,405	9,159	9,159
Deferred income - government capital grants	21,193	21,193	21,013	21,013
Other long term creditors	217	47	179	-
Total	29,815	29,645	30,351	30,172

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

18 Maturity of debt - Group and College

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2019 £'000	2018 £'000
In one year or less	753	753
Between one and two years	753	753
Between two and five years	4,752	1,560
In five years or more	2,900	6,846
Total	**9,158**	**9,912**

Included within loans are three facilities with Lloyds Bank plc. The first bank loan of £8.3 million is for a period of 20 years and is repayable by instalments falling due between October 2013 and 31 July 2029. The second loan of £1 million is for a period of 25 years and is repayable by instalments falling due between October 2013 and June 2034. The 3rd loan of £4 million is for a period of 6 years repayable by instalments falling due between November 2017 and August 2023.

The first and second loans are secured by a negative pledge.

(b) Finance leases

The net finance lease obligations to which the institution is committed are:

	2019 £'000	2018 £'000
In one year or less	-	-
Between two and five years	-	-
Total	-	-

Finance lease obligations are secured on the assets to which they relate.

19 Provisions

	Group and College		
	Defined benefit Obligations	Enhanced pensions	Total
	£'000	£'000	£'000
At 1 August 2018	15,544	222	15,766
Expenditure in the period	2,082	(45)	2,037
Transferred from income and expenditure account	9,083	-	9,083
At 31 July 2019	**26,709**	**177**	**26,886**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension Scheme. Further details are given in Note 25.

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

The principal assumptions for this calculation are:

	2019	2018
Price inflation	2.20%	2.10%
Discount rate	2.20%	2.90%

20 Cash and cash equivalents

	At 1 August 2018	Cash flows	Other changes	At 31 July 2019
	£'000	£'000	£'000	£'000
Cash and cash equivalents	4,159	1,305	-	5,464
Total	**4,159**	**1,305**	**-**	**5,464**

21 Capital commitments

	Group and College	
	2019	2018
	£'000	£'000
Commitments contracted for at 31 July	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

22 Lease Obligations

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

	Group and College	
	2019	2018
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	121	109
Later than one year and not later than five years	340	399
	461	508
Other		
Not later than one year	31	11
Later than one year and not later than five years	46	4
	77	15
Total lease payments due	538	523

23 Contingent liabilities

As a result of a ruling by the European Court of Justice (ECJ) in the Preston case relating to indirect sex discrimination, the employer has an obligation to provide pension scheme benefits for part-time employees. There is therefore a potential liability to provide additional benefits for service before the pension scheme rules were changed to allow access for part-time employees. The extent of the liability will depend on the service completed by those part-time employees who have registered a valid claim for benefits within the necessary timescales. It is not currently known with certaintly how many part-time employees have registered and whether any financial impact that may materialise will be significant. Therefore no provision has been made.

24 Events after the reporting period

There are no events after the reporting period.

25 Defined benefit obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Total pension cost for the year		**2019**		**2018**
		£'000		**£'000**
Teachers Pension Scheme: contributions paid		1,375		1,462
Local Government Pension Scheme:				
Contributions paid	1,637		1,591	
FRS 102 (28) charge	1,612		1,276	
Charge to the Statement of Comprehensive Income		3,249		2,867
Enhanced pension charge to Statement of Comprehensive Income		(110)		-
Total Pension Cost for Year		**4,514**		**4,329**

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). 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 and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go 'basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

25 Defined benefit obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The pension costs paid to TPS in the year amounted to £1,375,000 (2018: £1,462,000).

25 Defined benefit obligations (continued)

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme. 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 plan, with the assets held in separate funds administered by Bath and North East Somerset Local Authority . The total contribution made for the year ended 31 July 2019 was £2,173,000, of which employer's contributions totalled £1,637,000 and employees' contributions totalled £536,000. The agreed contribution rates for future years are 13.80% for employers (including an administration levy of 0.08%) and range from 5.5% to 7.5% cent for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2019 by a qualified independent actuary

	At 31 July 2019	**At 31 July 2018**
Rate of increase in salaries	3.70%	3.60%
Future pensions increases	2.30%	2.20%
Discount rate for scheme liabilities	2.20%	2.90%
Inflation assumption (CPI)	2.20%	2.10%

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

	At 31 July 2019 years	**At 31 July 2018 years**
Retiring today		
Males	23.70	23.60
Females	26.20	26.10
Retiring in 20 years		
Males	26.30	26.20
Females	29.00	28.80

25 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

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

		Fair Value at 31 July 2019 £'000		Fair Value at 31 July 2018 £'000
Equities	46.8%	21,044	39.2%	16,151
Government bonds	0.0%	0	11.6%	4,780
Other bonds	10.9%	4,901	12.3%	5,068
Property	5.5%	2,473	9.3%	3,832
Cash	1.2%	540	3.8%	1,566
Other	35.6%	16,008	23.8%	9,806
Total market value of assets		**44,966**		**41,203**
Actual return on plan assets		**2,916**		**2,649**

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

	2019 £'000	2018 £'000
Fair value of plan assets	44,966	41,203
Present value of plan liabilities	(71,675)	(56,747)
Net pensions liability (Note 19)	**(26,709)**	**(15,544)**

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

	2019 £'000	2018 £'000
Amounts included in staff costs		
Current service cost	2,514	2,867
Past service cost	735	-
Total	**3,249**	**2,867**
Amounts included in interest payable		
Net interest payable	470	524
	470	**524**

Past service costs above include £735,000 (2018:£nil) in relation to the estimated impact of the recent McCloud judgement. This represents approximately 1.0% of total liabilities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2019

25 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

Amounts recognised in Other Comprehensive Income	**2019**	**2018**
	£'000	**£'000**
Return on pension plan assets	(1,708)	(1,661)
Experience losses arising on defined benefit obligations	10,791	(3,900)
Changes in assumptions underlying the present value of plan liabilities	-	-
Amount recognised in Other Comprehensive Income	**9,083**	**(5,561)**

Movement in net defined benefit liability during the year	**2019**	**2018**
	£'000	**£'000**
Deficit in scheme at 1 August	(15,544)	(19,305)
Movement in year:		
Current service cost	(2,514)	(2,867)
Employer contributions	1,637	1,591
Past service cost	(735)	-
Net interest on the defined liability	(470)	(524)
Actuarial gain or loss	(9,083)	5,561
Net defined benefit liability at 31 July	**(26,709)**	**(15,544)**

Asset and Liability Reconciliation	**2019**	**2018**
	£'000	**£'000**
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	56,747	56,700
Current Service cost	2,514	2,867
Interest cost	1,635	1,468
Contributions by Scheme participants	536	562
Experience gains and losses on defined benefit obligations	10,791	(3,900)
Estimated benefits paid	(1,283)	(950)
Past Service cost	735	-
Defined benefit obligations at end of period	**71,675**	**56,747**
Reconciliation of Assets		
Fair value of plan assets at start of period	41,203	37,395
Interest on plan assets	1,208	988
Remeasurements (assets)	1,708	1,661
Employer contributions	1,637	1,591
Contributions by Scheme participants	536	562
Estimated benefits paid	(1,283)	(950)
Administration expenses	(43)	(44)
Fair value of plan assets at end of period	**44,966**	**41,203**

25 Defined benefit obligations (continued)

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

26 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £1,561; 6 governors (2018: £2,060; 8 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2018: None).

During the year the College received income of £0 (2018 - £164,000) for salary recharges to the Academy Trust and £163,442 (2018 - £224,000) for amounts charged under the Service Level Agreements.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2018: none).

27 Amounts disbursed as agent

Learner support funds

	2019 £'000	2018 £'000
Funding body grants – ESFA hardship support	552	682
Other Funding body grants	190	-
Interest earned	-	-
	742	682
Disbursed to students	(528)	(505)
Administration costs	(28)	(23)
Balance unspent as at 31 July, included in creditors	186	154

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.

Appendix 1

Remuneration Annual Report to the Corporation 2018/19

Introduction

Senior Post Holders are appointed by and directly accountable to the Corporation. During 2018/19 the following posts have been designated as Senior Posts by the Corporation:

- Group CEO & Executive Principal
- College Principal
- Clerk to the Corporation

1. Terms of Reference

The Remuneration Committee operates in accordance with its Terms of Reference approved by the Corporation. The Remuneration Committee undertakes an annual self-assessment against its terms of reference and this provides assurance to the Corporation that the Committee has effectively discharged its responsibilities.

Remuneration Committee Terms of Reference

2. Remuneration Committee membership

Members of the Remuneration Committee are appointed directly by the Corporation. The following Corporation Members served on the Remuneration Committee during 2018/19.

• Martin Jones (Chair)	Attendance 3 of 3 meetings	100%
• Dave Merrett	Attendance 2 of 3 meetings	67%
• Richard O'Doherty	Attendance 2 of 3 meetings	67%
• Moyra Pascoe	Attendance 3 of 3 meetings	100%
• David Hagg	Attendance 2 of 2 meetings	100%

3. Remuneration Committee meetings

The Remuneration Committee met on three occasions:

Attendance at these meetings confirmed above

3 September 2018

14 January 2019

18 March 2019

4. College's key strategic objectives

1 To be recognised as an outstanding College.

2 To be visionary and innovative in providing educational opportunities by anticipating and meeting demand.

3 To enhance the quality of the experience we provide for our learners and our staff.

4 To develop responsive partnerships with all our learners, employers, and all our stakeholders.

5 To ensure we have the necessary resources to support our Plan.

6 To provide an educational and training environment which is equipped for the delivery of high quality learning.

Approach to Remuneration

5. Competitive Environment

Within a national environment of high employment, the College is competing for staff at all levels from private industry and at the Bristol campuses from a busy urban centre of employment.

6. Statement of Remuneration Principles

The College takes very seriously the need to set pay levels for all staff that are proportionate, that reflect the level of responsibility of the role, and enable the College to attract and retain staff of the highest calibre. The College is also conscious of the balance to be struck between recruiting, retaining and rewarding the best staff possible, in order to deliver the best outcomes for students, stakeholders, society and the economy, while demonstrating effective use of resources and value for money for students in the use of the College's overall resources.

Within these principles, the Corporation has agreed a specific policy for Senior Post Holder remuneration.

7. Determination of Senior Post Holder Remuneration

The Remuneration Committee looked primarily to the annual AoC Senior Staff Survey to compare senior staff pay and the following guidelines were also taken into account by the Remuneration Committee when determining Senior Post Holder remuneration:

- Market competitiveness – align with the Upper Quartile of the AoC salary survey for experienced staff based on current College performance;
- The maturity of the individuals within the roles;
- Value and contribution of individuals, beyond their personal objectives;
- Affordability and the level of pay increases in relation to those for the rest of the College.

Upon the recommendation of the Remuneration Committee the Corporation resolved to approve the payment of the same award made to staff for the College Principal and Clerk to the Corporation.

The remuneration of the Group CEO & Executive Principal remained unchanged as it is currently above the agreed benchmark for the role.

The Group CEO & Executive Principal received remuneration from SGS Academy Trust for his separate contribution as the CEO and Accounting Officer of SGS Academy Trust this salary did not receive any uplift. This is consistent with the External Interest Policy.

During 2018/19, the Group CEO & Executive Principal provided consultancy work to another College but received no direct payment for this work however SGS College was paid a fee for the work undertaken.

During 2018/19 there was a consolidation of car allowances for the Group CEO & Executive Principal and the College Principal.

The Senior Post Holder Remuneration Policy has now been developed and documents the principles and procedures for considering and deciding Senior Post Holder pay.

8. Factors in considering reward proposals for Senior Post Holders

There is a robust and consistent process for setting objectives and assessing each Senior Post Holder's contribution to the performance of the College and the achievement of its strategic objectives. This is based on an Annual Staff Review and Development process in which objectives for the previous year are reviewed and set for the following year.

The factors used in considering reward proposals for Senior Post Holders are clearly documented in the Senior Post Holder Remuneration Policy.

9. Supporting Data for reward indicators

Supporting data is drawn from the Association of College's Annual Senior Staff Pay Survey, which provides the Remuneration Committee with benchmark data with comparator institutions.

10. Broader organisation Data

Following agreement of the annual budget the Corporation determines the pay award and implementation timetable for all staff. The levels of non-teaching staff roles are determined using the Hay job evaluation scheme. Dependant on contract, all staff are automatically enrolled into either the Teacher's Pension Scheme or the Local Government Pension Scheme.

11. Pay multiple of the Group CEO & Executive Principal earnings against the median of all staff

Year	All Staff Pay Median*	Group CEO & Executive Principal Annual Pay*	Pay Multiple of Group CEO & Executive Principal*
2019	£26,052	£172,603	6.6253
2018	£25,794	£172,603**	6.6916
2017	£25,536	£172,603**	6.7592

*** excluding non- consolidated pay award**
**** including car allowance**

Institutional Performance

12. In year changes to key factors

A car allowance granted to the Group CEO & Executive Principal since 2012 has been consolidated into the overall salary, rather than provided as a benefit. The consolidation of the car allowance into overall salary was also agreed for the College Principal.

Emoluments of the Group CEO and Executive Principal	2018/2019	2017/2018
Salary	£172,603	£164,337
Car Allowance	£0	£ 8,266
Non-Consolidated Pay Award	£0	£ 1,726
Employers Pension Costs	£ 27,083	£ 27,367
Performance Related pay/benefits	£0	£0
Total for year	£199,686	£201,696

13. Expenses Policy

Senior Post Holders' expenses incurred were paid as the terms of the College's single published scheme for the payment of expenses that applies to all staff.

14. Confirmation of discharge of duties

The Remuneration Committee believes that it has effectively discharged its responsibilities in line with the Committee's Terms of Reference and requirements of this code and associated policies.

Martin Jones
Chair of the Remuneration Committee
October 2019