Newbury College
Annual Report and Financial Statements
Year ended 31 July 2020

Newbury College

Contents

Newbury College

Reference and Administrative Details

Corporation Board of Governors
To July 2020

Sally Osmond (Chair from July 2020, Vice Chair to June 2020)
Geoff Knappett (Chair to June 2020)
Glyn Howells (Vice Chair from July 2020)
Chris Boulton
Derek Peaple (From July 2020)
Iain Wolloff (Principal & Chief Executive)
Jane West
John Knight
Jonathan Hopson
Matt Grimston
Mike Farwell
Sandy Abu Rub Fernandez
Simon Thompson
Sue Wood
Tom Rossiter

Clerk: Gill Parkinson

Senior Leadership Team

Iain Wolloff	Principal & Chief Executive
Lee Hunt	Vice Principal Students & Curriculum (Deputy Principal)
Cathy Wright -	Director of Human Resources
Jackie Heggs	Teaching and Quality Manager
Jayne Steele	Director of Finance & Resources
Jo Houghton	Director of Business & Partnerships

Principal and Registered Office Monks Lane, Newbury, Berkshire, RG14 7TD

Professional Advisors

External Auditors	Alliotts LLP, Friary Court, 13 -21 High Street. Guildford. Surrey. GU1 3DL
Internal Auditors	Mazars LLP, 90 Victoria Street, Clifton, Bristol, BS1 6DP
Solicitors	Bevan Brittan, Kings Orchard, 1 Queen Street, Bristol BS2 0HQ
Bankers	Lloyds, 3-5 Bridge Street, Newbury, Berkshire , RG14 5BQ

Newbury College

Strategic report

OBJECTIVES AND STRATEGY
The Corporation Board of Governors present their annual report together with the financial statements and auditor's report for Newbury College for the year ended 31 July 2020.

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

Mission, Vision, Strategy
Mission
The College's mission, as approved by the Corporation Board, is:
"Providing skills and knowledge which meet the needs of business and the community"

Vision
The College's vision, as approved by the Corporation Board, is:
"To be recognised as the best college in the region".

Strategic Plan
In July 2018 the College adopted a strategic plan for the period 2018/23 and this was updated in July 2019. The Corporation monitors the performance of the College against these plans. The plans are reviewed and updated each year. In order to be recognised as the best college in the region, a series of key goals have been established. These goals enable the College to track progress in the achievement of the strategy and to identify itself as an outstanding college, when the measures are achieved. The goals reflect the College's key priorities and are the main driver of decisions about actions to take and how to direct resources.

The College was able to respond positively to the challenges of the Covid-19 pandemic, in order to maintain effective delivery for students. From the time of the first national lockdown in March 2020, staff across the College quickly adjusted their approach to the delivery of learning and to their support for students. Wherever appropriate, vulnerable students and young people whose parents are critical workers were able to continue to attend the College site and were supported in their learning by a dedicated team of teachers and support staff. At the same time, the majority of students switched to remote learning and rapidly adapted to using video conferencing and the College virtual learning environment. In order to support both students and staff in their online learning, all available digital resources were issued to those without ready access to suitable devices. Student feedback and staff monitoring both evidenced high levels of engagement and satisfaction with remote learning. Despite the challenges of the year, student outcomes were very positive, with the overall achievement for 16-18 students improving by +8% points (2% points higher than the National average); adult students maintaining an outstanding level of performance at 91.6%; and the overall achievement for all apprentices being 12.3% points higher than the national average.

Whilst student experience, progress and achievement were successfully maintained, the more negative impacts of the pandemic were felt in a number of areas of the College's operations. The income normally received from the letting of College buildings and facilities was significantly adversely affected by the periods of national lockdown and local restrictions. Similarly, both adult & community learning and the provision for employers were affected by the restrictions and by the pressures on the economy. This resulted in reduced activity in these areas during 2019/20 and will continue to reduce income in the 2020/21 academic year. Despite the serious difficulties in the economy, the College was able to complete its plan for the University Centre (UCN); which focuses primarily on the higher skills needs of local employers. The UCN was launched successfully in September 2020 and, although the planned number of higher and degree apprentices was inevitably impacted by the economic effects of the pandemic, employers have been delighted with this new facility.

Resources

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

The College employs 211 people, of whom 168 are teaching and classroom support staff.

The College enrolled approximately 570 learners aged 16-8 and 1,843 adults.

The College has £2.88 million of net liabilities including £11.33 million pension liability and long-term debts of £6.52 million made up of debt in respect of the PFI contract and deferred capital grants. Tangible assets have net value totalling £12.94 million and includes a cash balance of £3.13m

The College has a 35 acre campus which comprises the Main College Learning Centre, Sports and Construction Centre and approximately 10 acres of undeveloped land. An area of 1.5 acres at the north of the campus was sold to a housing developer in August 2019 as part of the strategic plan to ensure the College's financial health.

The primary school (Highwood Copse) built at the southern end of the campus was completed by the Local Authority in November 2020 and will be sponsored by the College when it opens in September 2021.

Over the Summer of 2020, a large area of the College was refurbished and benefited from a major investment in technology, creating the University Centre Newbury (UCN). This was funded by the Thames Valley Local enterprise partnership (LEP) to which the College are very grateful.

The College has a positive reputation locally and nationally. Maintaining a quality brand is essential for the College success in attracting students and maintaining external relationships. The College retained an OFSTED inspection grading of "Good" in 2017.

Stakeholders

The College has many stakeholders including:

- its current, future and past students;
- its staff and the trades unions of which they are members;
- the employers it works with;
- funding bodies, government departments and professional bodies;
- its partner schools, colleges and universities;
- the wider FE college community and surrounding schools;
- its local authority and the Local Enterprise Partnership

DEVELOPMENT AND PERFORMANCE

Financial Results

The College generated a loss before other gains and losses of £929,000 (2018/19 a loss of £407,000). Income was impacted in 2019/20 as a result of the strategic decision to close the 14-16 provision, maintaining provision for learners in their last year of GCSE's only £80,000 (2018/19 £390,000). In common with the FE Sector, the College experienced reduced income in the second half of the year due to the Covid-19 pandemic (£256,000), however, our ability to flex our cost base was limited by the PFI contract operating under the Procurement Policy Note 02/20: Supplier relief due to coronavirus (COVID-19).

Local authority partners continued to fund learners with an Education, Health and Care Plan, and adult funding was maintained by the ESFA at 100%, with our delivery at 87%. The College received £18,000 from the Coronavirus job retention scheme in respect of staff that were employed for the commercial activities of the College.

As part of the strategic plan to ensure financial health, the College disposed of land assets realising a profit of £1.59m. As a result of the Covid-19 pandemic, plans to construct a new building on the campus for the University Centre have been reviewed by the Board and moved into a longer-term vision. The College therefore took the decision to impair the assets in the course of construction of £312,000 in respect of these plans.

The College generated a surplus before tax and pension gains and losses of £353,000 (2018/19 a loss of £407,000)

In September 2002 the College building was opened under a PFI contract and the resulting Unitary Charge commenced. In accordance with Financial Reporting Standards the assets are shown in the balance sheet and depreciated. The additional depreciation charge is £236,000. The Unitary Charge to the Income and Expenditure account for the provision of the buildings and associated facilities management for 2019/20 was £1.453m, of which £0.134m was interest and £1.319m was for facilities management and the premium payments made to the landlord for their management of the contract

After accounting for pension liabilities (FRS102) the College has negative accumulated reserves of £3,225,000, a revaluation reserve balance of £342,000 and cash balance of £3,130,000.

Sources of income
The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2019/20 the FE and HE funding bodies provided 87% of the College's total income.

FUTURE PROSPECTS

Curriculum Developments
The College seeks to evolve its curriculum offer to meet the needs of local people and of the local economy. LEP research has identified 10 priority 'job families where efforts should be concentrated locally to ensure a sufficient supply of skills'. The College currently delivers skills in each of these priority areas and seeks to develop further provision to meet these priorities for the regional economy.

For example, provision in engineering is already a strong and growing curriculum area for the College but digital tech is less well developed and is, therefore, a key priority. In addition to those areas of the economy identified as priorities for increased delivery of skills, the College has a continuing key role in delivering skills to meet the replacement needs of a wide range of sectors. The profile of employment by sector for the Thames Valley/Berkshire region illustrates a spread of employment needs, including such additional areas as retail, hospitality, arts and entertainment. Thus, the College will seek to maintain strong provision in these additional areas to support the replacement needs of the economy.

Development of the University Centre Newbury (UCN)
Employers across the region identify critical shortages of employees with high-level skills, particularly in: Digital technologies; Business & Finance; Engineering; Health, social care & education; and Construction. To meet these business-critical needs, a new type of provision will open in September 2020, focussing on the higher skills required by the economy and serving the needs of the area's residents. The project will be rooted in meeting employer needs to deliver economic growth.

Estates strategy
The College is revising its Estates Strategy, which is due to be completed in the Summer of 2021. This revised strategy will focus on three key elements:

- Meeting the needs of the curriculum strategy, including the development of T-Levels
- The Environment and sustainability
- The strategic financial plan and how the estates can contribute to financial health

Financial plan
The College governors typically set a two-year financial plan at their July Corporation meeting. Due to the uncertainty that has arisen from the global Covid-19 pandemic, a shorter-term budget was set, with agreement to revise and produce a two-year plan during the course of 2020/21. Cashflow forecasting is monitored on a 24 month rolling basis.

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. Short term borrowing for temporary revenue purposes is authorised by the Principal. All other borrowing requires the authorisation of the Corporation.

Cash flows and liquidity
Net cash flow from operating activities was an outflow of £15,000 (2018/19 £27,000 inflow).

Reserves
The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College currently holds no restricted reserves. As at the balance sheet date the Income and Expenditure reserve stands in deficit at negative £3,225,000 (2018/19: positive reserves of £275,000). It is the Corporation's intention to improve the reserves position over the life of the strategic plan by limiting operational losses during the duration of the PFI contract and liquidising assets where appropriate.

Going concern
After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence. The impact of the pandemic and the inability to flex PFI costs have caused significant pressure on liquidity. A programme of restructuring and other key mitigating actions is being taken by the Senior Leadership Team and for this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details are given in the Accounting Policies.

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 Board 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 level which is reviewed regularly by the Audit Committee. 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 potential risk factors affecting the College are outlined below. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College. Each of these key risks is controlling thorough an existing series of mitigating actions and a plan of further actions to further reduce risk.

- Safeguarding
    - An individual or group of individuals come to harm due to inadequate safeguarding/safety procedures, policies or the lack of understanding and adherence to them
- Financial
    - The College experiences cashflow difficulties.
    - The College is subject to a significant fraud resulting in financial loss
- Quality
    - The College fails to meet standards of quality expected by its stakeholders and regulatory bodies (Ofsted, OFS) resulting in damage to reputation and a decline in student numbers.
- Compliance
    - Failure to comply with Government, Regulatory Body, UK/European Law and internal policies and procedures leads to a detrimental impact on the assets of the College.
- Staff
    - Failure to attract and retain high calibre staff
- Resources
    - The College fails to meet the Strategic Plan as a result of the dilution of resources over multiple competing projects
- Reputation
    - The College experiences reputational damage by failing to keep pace with environmental initiatives
    - The College experiences other reputational damage

KEY PERFORMANCE INDICATORS

The College uses several key performance indicators including:

Key performance Indicator	Measure/Target	Actual for 2019/20
FE Achievement Rate	88%	89.6%
EBITDA as % of income – education specific	> 1%	-1.0%
Adjusted current ratio	> 2	2.74
Borrowing as a % of income	< 35%	31%

EBITDA
Due to downward pressure on 16-19 student numbers, the planned reduction in the 14-16 provision and significant year on year increases in the PFI charges, the forecast EBITDA just prior to the pandemic was a negative 0.5%. The impact of the pandemic in the latter half of the year pushed the EBIDA to (1.0%).

Current ratio
The forecast current ratio prior to the pandemic was 3.44 Our target of maintaining a current ratio greater than 2% has been achieved despite the financial challenges this year, as a result of the proceeds from the sale of assets and prompt payment by Local authority partners.

Student achievements
The College evaluates its student achievements in the Annual Self Assessment Report. The headline FE achievement rate for 2019/20 is good at 89.6% and is above the national average. The headline rate of achievement for apprenticeships is good at 78.4%, which is, again, above the national average.

OTHER INFORMATION

Public Benefit
Newbury College is an exempt charity under the Part 3 of the Charities Act 2011 and, following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Corporation Board, who are trustees of the charity, are outlined on page 3.

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

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

- High-quality teaching and learning
- Widening participation and tackling social exclusion
- Providing excellent employment prospects for students
- Strong student support systems
- Meeting skills needs of employers, industry and commerce.

- Partnership work with Local Authorities & Local Enterprise Partnerships (LEPs)

The delivery of public benefit is covered throughout the Members Report.

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 policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the College's Intranet site.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including 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 'Disability Confident Committed' and has, therefore, committed to the principles and objectives of the Disability Confident standard.

The commitments are:

- inclusive and accessible recruitment
- communicating vacancies
- offering an interview to disabled people
- providing reasonable adjustments
- supporting existing 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 continues with its Equality & Diversity training programme which all staff have completed. Refresher training and training for new starters is carried out on an ongoing basis.

Disability & accessibility statement
The statement describes our commitment to all our learners, especially those with learning difficulties and/or disabilities and the support available to them at the College. The College is committed to ensuring that everyone who wishes to attend College is treated fairly. The College is committed to the implementation of equality of opportunity for all learners, respecting and valuing positively differences in age, ethnicity, disability, gender, marital status, nationality and faith etc. It is our intention that everyone should have full and fair consideration for entry to the College.

We offer a wide range of courses from Pre-Entry to Level 7 and try to design the curriculum to be accessible, delivered at a time, in a place and in a style that meets each learner's agreed needs, wherever and whenever possible. All learners have access to a range of supportive entry services including assessment of individual need and provision of flexible on-programme support. We choose assessment methods that are sensitive to the needs of individual learners and provide examination venues appropriate to the needs of individual learners.

Learning Support is the cross-college service which helps assess learners' support needs and provide appropriate additional support. We conform to the requirement of the awarding bodies when providing for support needs.

Trade union facility time

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

Numbers of employees who were relevant in the period	4 officials
FTE employee number	173
Percentage of time	
0%	
1-50%	4 officials
51-99%	
100%	
Total cost of facility time	£2,761
Total pay bill	£5,412,427
Percentage of total bill spent on facility time	0.05%

Time spent on paid trade union activities as a percentage of total paid facility time	1.92%

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days During the accounting period 1 August 2019 to 31 July 2020, the College paid 85 per cent 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

Following the year end, on 9th November 2020, the College took ownership from West Berkshire Council for Highwood Copse Primary School, built on the College campus. This asset is not included within the fixed assets of the College as it will be leased to the Newbury College Academy Trust on a 125 standard lease.

Recruitment of adult learners and particularly apprentices have been severely impacted by the Covid-19 pandemic in the 2020/21 academic year. Employers have been very hesitant to commit their employees to training and education during this period, despite our best efforts to provide high quality blended learning and provide covid safety measures within our building The second and third lockdown period will further exacerbate loss of income from commercial activities, and the College is looking at all ways of mitigating costs during this time.

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 14th December 2020 and signed on its behalf on 25th February 2021 following the outcome of the ESFA Audit by:

Sally Osmond

Sally Osmond (Feb 25, 2021 15:42 GMT)

Sally Osmond

Chair of Corporation Board

Newbury College

Governance Statement

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 2019 to 31st July 2020 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

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

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. There were 15 Board Members on the Corporation Board during the 2019/20 year. Currently there are 2 vacancies.

Member	Status	Term of Office	Date Joined	Date Left	Members of Audit Committee	Attendance (Corporation)
C Boulton	External Member	4 years	April 2017	July 2020		0% (Sabbatical)
M Farwell	External Member	4 years	Dec 2013			100%
S Fernandez	Student Member	1 year	Dec 2019	July 2020		33%
M Grimston	Student Member	1 year	Dec 2019			100%
J Hopson	External Member	1 year	Dec 2008		Audit	100%
G Howells	External Member	4 years	Oct 2018		Audit	67%
J Iqbal	External Member	4 years	Oct 2020		Audit	100%
G Knappett	Chair of Corporation	4 years	June 2009	June 2020		75%
J Knight	External Member	4 years	Dec 2017			67%
S Osmond	External Member	4 years	March 2018		Audit	67%
D Peaple	External Member	4 years	July 2020			100%
T Rossiter	External Member	4 years	March 2012		Audit	67%
S Thompson	External Member	4 years	Dec 2015			100%
J West	Staff member	4 years	July 2012	July 2019		67%
I Wolloff	Principal		Feb 2018			100%
S Wood	External Member	1 year	Jan 2004			100%
Clerk: G Parkinson						

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

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

The Corporation had previously adopted the 'Carver Model' of governance and, therefore, only one Committee had operated, the Audit Committee, with all other matters being considered by the Board. However, during 2019/20 the Corporation returned to a full Committee structure. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website [at www.newbury-college.ac.uk] or from the Clerk to the Corporation at Newbury College, Monks Lane, Newbury, Berkshire, RG14 7TD.

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

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

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

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office not exceeding four years.

Audit Committee

The Audit Committee comprises five members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business. The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

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

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

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to the Principal in the Funding Agreement between Newbury College and the funding bodies. The Principal 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 Newbury 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 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body 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.

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body 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 Principal has responsibility for reviewing the effectiveness of the system of internal control. His / her 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 and the reporting accountant for regularity assurance in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of the 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 management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2020 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2020 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2020.

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 14th December 2020 and signed on its behalf on 25th February 2021 following the outcome of the ESFA Audit by:

Signed:	Signed:
Sally Osmond Sally Osmond (Feb 25, 2021 15:42 GMT)	I Wolloff
Sally Osmond Chair of Corporation Board	Iain Wolloff Accounting Officer

Newbury 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 on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contract 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.

Signed:

Sally Osmond
Sally Osmond (Feb 25, 2021 15:42 GMT)

Sally Osmond
Chair of Corporation Board

Signed:

I. Wolloff

Iain Wolloff
Accounting Officer

Newbury College

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the college's grant funding agreements and contracts with 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
- assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the 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 14th December 2020 and signed on its behalf on 25th February 2021 following the outcome of the ESFA Audit by:

Signed:

Sally Osmond
Sally Osmond (Feb 25, 2021 15:42 GMT)

Sally Osmond
Chair of Corporation Board

Newbury College

Independent auditor's report to the Corporation of Newbury College

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of the Corporation of Newbury College

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 16 to 17, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation/Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 30 October 2020. Our audit work has been undertaken so that we might state to the Corporation/Governing Body, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Alliotts LLP
Alliotts LLP (Feb 25, 2021 15:59 GMT)

Alliotts LLP
Chartered Accountants
Friary Court
13 -21 High Street
Guildford
Surrey
GU1 3DL

Date: 25th February 2021

Newbury College

Reporting accountant's assurance report on regularity

To:
The Corporation of Newbury College and the secretary of state for education acting through the education and skills funding agency (the ESFA).

In accordance with the terms of our engagement letter dated 30 October 2020 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Newbury College during the period 1 August 2019 to 31 July 2020 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the corporation of Newbury 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 Newbury 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 Newbury College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Newbury College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the 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 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 perform additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

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 2019 to 31 July 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Alliotts LLP
Alliotts LLP (Feb 25, 2021 15:59 GMT)

Alliotts LLP
Date: 25th February 2021

Newbury College

Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2020	2019 Restated
		£'000	£'000
INCOME			
Funding body grants	2	7,435	8,173
Tuition fees and education contracts	3	868	856
Other income	4	192	165
Endowment and investment income	5	10	11
Total income		**8,505**	**9,205**
EXPENDITURE			
Staff costs	6	5,547	5,644
Restructuring costs	6	16	95
Other operating expenses	7	3,075	3,050
Depreciation	10	511	526
Interest and other finance costs	8	285	297
Total expenditure		**9,434**	**9,612**
Deficit before other gains and losses		**(929)**	**(407)**
Profit on disposal of assets	10	1,594	-
Write off assets under construction	10	(312)	-
Deficit before tax		**353**	**(407)**
Taxation	9	-	-
Surplus/(deficit) for the year		**353**	**(407)**
Actuarial gain/(loss) in respect of pensions schemes	19	(3,910)	(1,770)
Total Comprehensive Income for the year		**(3,557)**	**(2,177)**
Represented by:			
Unrestricted comprehensive income		**(3,557)**	**(2,177)**
Restricted comprehensive income		**-**	**-**
		(3,557)	**(2,177)**

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

Newbury College

Statement of Changes in Reserves

	Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2018	2,395	456	2,851
Deficit from the income and expenditure account	(407)	-	(407)
Other comprehensive income	(1,770)	-	(1,770)
Transfers between revaluation and income and expenditure reserves	57	(57)	-
	(2,120)	(57)	(2,177)
Balance at 31 July 2019	275	399	674
Surplus from the income and expenditure account	353	-	353
Other comprehensive income	(3,910)	-	(3,910)
Transfers between revaluation and income and expenditure reserves	57	(57)	-
Total comprehensive income for the year	(3,500)	(57)	(3,557)
Balance at 31 July 2020	**(3,225)**	**342**	**(2,883)**

Newbury College

Balance sheet as at 31 July 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets	10	12,943	13,459
		12,943	**13,459**
Current assets			
Trade and other receivables	11	425	670
Cash and cash equivalents	16	3,130	2,308
		3,555	**2,978**
Less: Creditors – amounts falling due within one year	12	(1,534)	(1,578)
Net current assets		**2,021**	**1,400**
Total assets less current liabilities		**14,964**	**14,859**
Less: Creditors – amounts falling due after more than one year	13	(6,521)	(7,130)
Provisions			
Defined benefit obligations	15	(11,326)	(7,055)
Total net assets		**(2,883)**	**674**
Unrestricted reserves			
Income and expenditure account		(3,225)	275
Revaluation reserve		342	399
Total unrestricted reserves		**(2,883)**	**674**

The financial statements on pages 24 to 49 were approved and authorised for issue by the Corporation on 14th December 2020 and signed on its behalf on 25th February 2021 following the outcome of the ESFA Audit by:

Sally Osmond
Sally Osmond (Feb 25, 2021 15:42 GMT)

I Wolloff

Sally Osmond
Chair of Corporation Board

Iain Wolloff
Accounting Officer

Newbury College

Statement of Cash Flows

	Notes	2020 £'000	2019 £'000
Cash inflow from operating activities			
Surplus/(Deficit) for the year		353	(407)
Adjustment for non-cash items			
Depreciation		511	526
Decrease in debtors		245	179
Increase/(decrease) in creditors due within one year		(44)	(433)
Decrease in creditors due after one year		(283)	(289)
Pensions costs less contributions payable		210	180
Adjustment for investing or financing activities			
Investment income		(10)	(11)
Interest payable		285	297
Profit on sale of fixed assets		(1,282)	(15)
Net cash flow from operating activities		**(15)**	**27**
Cash flows from investing activities			
Investment income		10	11
Payments made to acquire fixed assets		(314)	(431)
Proceeds on sale of fixed assets		1,601	34
		1,297	(386)
Cash flows from financing activities			
Interest element of finance lease rental payments		(134)	(154)
Capital element of finance lease rental payments		(326)	(306)
		(460)	(460)
Increase / (decrease) in cash and cash equivalents in the year		**822**	**(819)**
Cash and cash equivalents at beginning of the year	16	2,308	3,127
Cash and cash equivalents at end of the year	16	3,130	2,308

Newbury College

Notes to the Accounts

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 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2019 to 2020, and Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Going concern

The financial position of the College, its cashflow liquidity and borrowing are presented in these Financial Statements and accompanying notes.

During the year the College made a deficit of £3,557,000 after incurring an actuarial loss of the LGPS of £3,910,000. The net assets of the College are £8,443,000 at 31 July 2020, before deducting the LGPS pension liability of £11,326,000. Whilst the College recognises its ongoing commitment to the LGPS liability this is an amount which it cannot control and is not a liability that requires a cash settlement at the Balance Sheet date. Cash at bank at 31 July 2020 amounted to £3,130,000.

The College has considered its underlying financial position and has undertaken the following actions to ameliorate this:

1. Negotiated the sale of surplus land at the College site with proceeds of £1,643,000;
2. Undertaken a review of its cost base to reduce this on an ongoing basis with staff restructuring being concluded where necessary, together with the mitigation of committed premises costs;
3. Ongoing consideration of its curriculum offering to ensure that the most efficient use of its resources is made, with the option to restructure that offering where the cost/benefit analysis dictates this;

Taken the above factors into account, the Governors consider that the financial statements should be prepared on a going concern basis.

Newbury College

Notes to the Accounts continued

1. Statement of Accounting Policies continued

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. 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 funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Levy-funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

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

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

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding

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

Fee income

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

Investment income

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

Agency arrangements

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

Newbury College

Notes to the Accounts continued

1. Statement of Accounting Policies continued

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.

West Berkshire 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 closing fair value 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. The next actuarial valuation of the Fund will be carried out as at 31 March 2019. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and 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 a 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.

Newbury College

Notes to the Accounts continued

1. Statement of Accounting Policies continued

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.

Land and buildings

The main College building including the furniture and equipment originally included was financed by a PFI arrangement. For the assets held within the PFI arrangement:

Freehold buildings are depreciated on a straight line basis over their expected useful life of 50 years. Freehold land is not depreciated as it is considered to have an infinite useful life.

Furniture & Equipment is depreciated over 8 years or 10 years dependent on the expected useful life.

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

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income 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 £1000 is recognised as expenditure 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 5 years
- motor vehicles 5 years
- furniture, fixtures and fittings 10 years
- general equipment 8 years

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

Newbury College

Notes to the Accounts continued

1. Statement of Accounting Policies continued

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.

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

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

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

Financial liabilities and equity

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

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

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.

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.

Newbury College

Notes to the Accounts continued

1. Statement of Accounting Policies continued

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

Provisions and contingent liabilities

Provisions are recognised when

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Notes to the Accounts continued

1. Statement of Accounting Policies continued

- *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 19, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 to value the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding council grants	**Year ended 31 July 2020 £'000**	**2019 £'000**
Recurrent grants		
Education and Skills Funding Agency - adult	1,077	1,202
Education and Skills Funding Agency – 16 -18	5,544	6,131
Education and Skills Funding Agency - apprenticeships	505	520
Office for Students	174	181
Specific Grants		
Releases of government capital grants	135	139
Total	**7,435**	**8,173**

3 Tuition fees and education contracts	**2020 £'000**	**2019 £'000**
Adult education fees	506	533
Apprenticeship fees and contracts	62	48
Fees for FE loan supported courses	110	89
Fees for HE loan supported courses	131	132
Total tuition fees	809	802
Education contracts	59	54
Total	**868**	**856**

3b Total grant and fee Income	**2020 £'000**	**2019 £'000**
Grant income from the OfS	174	181
Grant income from other bodies	7,261	7,992
Total grants	**7,435**	**8,173**
Fee income for taught awards (exclusive of VAT)	385	372
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	483	484
Total tuition fees and education contracts	**868**	**856**
Total	**8,303**	**9,029**

4 Other income	2020 £'000	2019 £'000
Other income generating activities	148	79
Other grant income	18	22
Miscellaneous income	8	64
Coronavirus Job Retention Scheme grant	18	-
Total	**192**	**165**

The corporation staff working in our commercial areas (Salons, restaurant, lettings, adult fees) under the government's Coronavirus Job Retention Scheme. The funding received of £18,359 relates to staff costs which are included within the staff costs note below as appropriate.

5 Investment income	2020 £'000	2019 £'000
Bank interest receivable	10	11
	10	**11**

6 Staff costs

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

	2020 No.	2019 No.
Teaching staff	168	171
Non-teaching staff	43	45
	211	**216**

Staff costs for the above persons

		2020 £'000	2019 Restated £'000
Wages and salaries		4,106	4,204
Social security costs		322	324
Other pension costs		1,110	898
Payroll sub total		**5,528**	**5,426**
Contracted out staffing services		19	218
		5,547	**5,644**
Fundamental restructuring costs -	contractual	16	95
		5,563	**5,739**

Key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Management Team comprising of the Principal, Deputy Principal, Director of Finance and Resources, Director of Human Resources, Director of Business & Partnerships and the Teaching and Quality Manager.

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

	2020 No.	2019 No.
The number of key management personnel including the Accounting Officer was:	6	6

Newbury College

Notes to the Accounts (continued)

6 Staff costs continued

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

	Key Personnel	Management	Other staff	
	2020	2019	2020	2019
	No.	No.	No.	No.
£40,001 to £45,000	1	3	-	-
£45,001 to £50,000	1	-	-	-
£50,001 to £55,000	-	2	-	-
£55,001 to £60,000	1	-	-	-
£65,001 to £70,000	1	-	-	-
£70,001 to £75,000	1	-	-	-
£100,001 to £105,000	1	1	-	-
	6	**6**	**-**	**-**

Including part time workers grossed up to full time equivalent and staff on maternity, paternity or sickness leave at their usual rate of pay, 2 members of key management personnel were paid in the £55,001 to £60,000 banding in 2020 (2019: 3 in the £50,001 to £55,000 banding).

	2020	2019
Key management personnel compensation is made up as follows:	**£'000**	**£'000**
Salaries - gross of salary sacrifice and waived emoluments	385	352
Employers National Insurance	46	42
Benefits in kind	-	-
	431	**394**
Pension contributions	79	63
Total emoluments	**509**	**457**

The above compensation includes amounts payable to the Accounting Officers during the year of:

	2020	2019
	£'000	£'000
Salaries	101	101
Benefits in kind	-	-
	101	101
Pension contributions	23	17

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

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

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

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

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple

	2020	**2019**
Principal and CEO's basic salary as a multiple of the median of all staff	4.43	4.57
Principal and CEO's total remuneration as a multiple of the median of all staff	4.43	4.57

7 Other operating expenses

	Year ended 31 July 2020	**2019 Restated**
	£'000	**£'000**
Teaching costs	737	756
Non teaching costs	695	833
Premises costs	1,643	1,461
Total	**3,075**	**3,050**

Other operating expenses include:	**2020**	**2019**
	£'000	**£'000**
Subcontractor costs	220	346
Auditor's remuneration:		
-Financial statements audit	20	20
-Internal audit	2	2
-Other services	3	3
Internal audit	17	18
Profit on disposal of non current assets	1,282	15
Hire of assets under operating leases	28	44

8 Interest payable	2020 £'000	2019 £'000
On finance leases	134	154
Net interest on defined pension liability (note 19)	151	143
Total	**285**	**297**

9 Taxation	2020 £'000	2019 £'000
United Kingdom corporation tax	-	-
Provision for deferred corporation tax in the accounts of the subsidiary company	-	-
Total	**-**	**-**

10 Tangible fixed assets	Land	Buildings Freehold	Equip-ment	Assets in the Course of Construction	Total
		£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2019	193	17,434	4,106	271	22,004
Additions	-	-	125	189	314
Disposals	(7)	-	(63)	(312)	(382)
At 31 July 2020	**186**	**17,434**	**4,168**	**148**	**21,936**
Depreciation					
At 1 August 2019	-	5,341	3,204	-	8,545
Charge for the year		356	155		511
Eliminated on disposal	-	-	(63)	-	(63)
At 31 July 2020	**-**	**5,697**	**3,296**	**-**	**8,993**
Net book value at 31 July 2020	**186**	**11,737**	**872**	**148**	**12,943**
Net book value at 31 July 2019	193	12,093	902	271	13,459

Land and buildings were valued in 1996 at depreciated replacement cost by a firm of independent chartered surveyors.

The depreciation charge on PFI assets for the year was £236,000 (2019 – £236,000).

11 Trade and other receivables	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade receivables	149	338
Other receivables	-	2
Prepayments and accrued income	276	330
Total	**425**	**670**

12 Creditors: amounts falling due within one year	**2020 £'000**	**2019 £'000**
Obligations under finance leases	348	327
Trade payables	174	306
Other taxation and social security	125	121
Accruals and deferred income	735	671
Deferred income - government capital grants	129	150
Amounts owed to the ESFA	23	3
Total	**1,534**	**1,578**

13 Creditors: amounts falling due after one year	**2020 £'000**	**2019 £'000**
Obligations under finance leases	2,209	2,558
Deferred Income - other	407	527
Deferred income - government capital grants	3,905	4,045
Total	**6,521**	**7,130**

14 Maturity of debt

Finance leases

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

	2020 £'000	**2019 £'000**
In one year or less	348	327
Between two and five years	1,576	1,539
In five years or more	634	1,019
Total	**2,558**	**2,885**

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

15 Provisions

	Defined benefit Obligations £'000
At 1 August 2019	7,055
Expenditure in the period	361
Transferred from income and expenditure account	3,910
At 31 July 2020	**11,326**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 19.

16 Cash and cash equivalents

	At 1 August 2019 £'000	Cash flows £'000	Other changes £'000	At 31 July 2020 £'000
Cash and cash equivalents	2,308	822	-	3,130
Total	**2,308**	**822**	**-**	**3,130**

17 Capital commitments

	2020 £'000	2019 £'000
Commitments contracted for at 31 July	39	68

Newbury College

Notes to the Accounts (continued)

18 Lease Obligations

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

	2020	2019
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	-	-
Later than one year and not later than five years	-	-
later than five years	-	-
	-	-
Other		
Not later than one year	16	13
Later than one year and not later than five years	12	12
later than five years	-	-
	27	25
Total lease payments due	**27**	**25**

19 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 Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Royal Borough of Windsor and Maidenhead. 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 2016 and of the LGPS 31 March 2016.

	2020		2019	
Total pension cost for the year				
	£'000	**£'000**	**£'000**	**£'000**
Teachers Pension Scheme: contributions paid		368		258
Local Government Pension Scheme:				
Contributions paid	522		459	
FRS 102 (28) charge	210		180	
Charge to the Statement of Comprehensive Income		732		639
Total Pension Cost for Year		**1,100**		**897**

19 Defined benefit obligations continued

Contributions amounting to £46,915 (2019: £37,902) were payable to the scheme and are included in creditors.

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

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

The pension costs paid to TPS in the year amounted to £367,664 (2019: £258,577).

19 Defined benefit obligations continued

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by West Berkshire Local Authority. The total contribution made for the year ended 31 July 2020 was £683,000, of which employer's contributions totalled £564,000 and employees' contributions totalled £119,000. The contribution rates for future years is likely to be 21.1% for employers and range from 5.5% to 12.5% 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 2020 by a qualified independent actuary.

	At 31 July 2020	**At 31 July 2019**
Rate of increase in salaries	2.00%	2.35%
Future pensions increases	2.25%	2.35%
Discount rate for scheme liabilities	1.35%	2.10%
Inflation assumption (CPI)	2.25%	2.35%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2020	**At 31 July 2019**
	Years	Years
Retiring today		
Males	21.5	22.0
Females	24.1	24.0
Retiring in 20 years		
Males	22.9	23.7
Females	25.5	25.8

19 Defined benefit obligations continued

Sensitivity analysis	**At 31 July 2020 £'000**	**At 31 July 2019 £'000**
Discount rate +0.1%	(396)	(706)
Discount rate -0.1%	406	741
Mortality assumption – 1 year increase	748	748
Mortality assumption – 1 year decrease	(716)	(699)
CPI rate +0.1%	386	741
CPI rate -0.1%	(376)	(706)

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

	2020 £'000	**2019 £'000**
Fair value of plan assets	6,404	7,273
Present value of plan liabilities	17,730	(14,193)
Present value of unfunded liabilities		(135)
Net pensions liability (Note 15)	**(11,326)**	**(7,055)**

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

	2020 £'000	**2019 £'000**
Amounts included in staff costs		
Current service cost	774	593
Past service cost	-	72
Total	**774**	**665**
Amounts included in interest payable		
Net interest	151	143
	151	**143**

19 Defined benefit obligations continued

Amounts recognised in Other Comprehensive Income

	2020 £'000	2019 £'000
Return on pension plan assets	(354)	279
Other actuarial gains/(losses) on assets	(862)	199
Changes in financial assumptions	(2,486)	(2,701)
Changes in demographic assumptions	223	-
Other experience adjustments	(431)	-
Amount recognised in Other Comprehensive Income	**(3,910)**	**(1,770)**

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

	2020 £'000	2019 £'000
Deficit in scheme at 1 August	(7,055)	(4,962)
Movement in year:		
Current service cost	(774)	(593)
Employer contributions	564	485
Past service cost	-	(72)
Net interest on the defined (liability)/asset	(151)	(143)
Actuarial gain or loss	(3,910)	(1,770)
Net defined benefit liability at 31 July	**(11,326)**	**(7,055)**

Asset and Liability Reconciliation

	2020 £'000	2019 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	14,328	11,441
Current Service cost	774	593
Interest cost	298	324
Contributions by Scheme participants	119	100
Changes in financial assumptions	2,486	2,701
Changes in demographic assumptions	(223)	(652)
Estimated benefits paid	(440)	(251)
Other experience	388	-
Past service cost	-	72
Defined benefit obligations at end of period	**17,730**	**14,328**

Newbury College

Notes to the Accounts (continued)

19 Defined benefit obligations continued

Reconciliation of Assets

	2020 £'000	2019 £'000
Fair value of plan assets at start of period	7,230	6,479
Interest on plan assets	154	188
Return on plan assets	(354)	279
Other actuarial gains/(losses)	(862)	-
Administration expenses	(7)	(7)
Employer contributions	564	485
Contributions by Scheme participants	119	109
Estimated benefits paid	(440)	(260)
Fair value of plan assets at end of period	**6,404**	**7,273**

20 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.

No Governor has received any remuneration or waived payments from the college during the year (2019: None).

21 Prior period adjustment

Comparatives have been restated in the statement of financial activities and the accompanying notes 6 and 7 to correct the allocation of expenditure between staff costs and other operating expenditure for subcontracted costs.