



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS**Key management personnel**

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2018/19:

David Cooper – Principal and CEO; Accounting Officer until 31st August 2018.

Colin Peaks – Deputy Principal from 1st September 2016 to 31st August 2018. Principal and CEO, Accounting Officer from 1st September 2018.

Ben Wallis – Vice Principal

Natalie Sketchley – Vice Principal

Karen Ashman – Assistant Principal

Jonathon Butler – Assistant Principal

Board of Governors

A full list of Governors is given on pages 16 to 18 of these financial statements.

Professional advisers**Financial statements auditors and reporting accountants:**

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

Bankers

Lloyds Bank Corporate Markets
14 Church Street
Sheffield
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Wellington Street West
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Solicitors

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CONTENTS

	Page number
Report of the Governing Body	3-15
Statement of Corporate Governance and Internal Control	16-24
Governing Body's Statement on the College's Regularity, Propriety and Compliance with Funding Body Terms and Conditions of Funding	25
Statement of Responsibilities of the Members of the Corporation	26
Independent Auditor's Report to the Corporation of Wilberforce Sixth Form College	27-28
Statement of Comprehensive Income	29
Balance Sheet as at 31 July	30
Statement of Changes in Reserves	31
Statement of Cash Flows	32
Notes to the Financial Statements	33-51
Reporting Accountant's Assurance Report on Regularity	

REPORT OF THE GOVERNING BODY

Nature, objectives and strategies

The members present their report and the audited financial statements for the year ended 31 July 2019.

Legal status

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

Mission

The College has determined through governor, staff and student dialogue, that it will work through a set of core values to achieve its objectives. These core values are:

- Students' experience is central.
- We conduct ourselves with integrity and respect for all.
- Individuals are valued and self-esteem is promoted.
- Innovation, creativity and enjoyment are encouraged.
- Work as a team.
- We strive for excellence in everything.

The College's mission informed by these core values is:

"Wilberforce College's mission is to be an outstanding college. We will work with our students and the community to raise aspirations, and enable all students to fulfil their potential."

Public Benefit

Wilberforce Sixth Form College is an exempt charity under Part 3 of the Charities Act 2011 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the Charity, are disclosed on pages 16 to 18.

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 excellent student achievement.
- Widening participation and tackling social exclusion.
- Excellent employment record for students.
- Strong student support systems.
- Partnerships with Higher Education.
- Links with employers, industry and commerce.
- Links with Local Enterprise Partnerships (LEPs).
- Partnership working with other Sixth form Colleges to improve opportunities for all students.

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

REPORT OF THE GOVERNING BODY (CONTINUED)

Implementation of the strategic plan

The key aspects of the implementation of the College's strategy and the College's development plan are:

- **Student participation**

The College's strategy is to consolidate student numbers, whilst remaining responsive to the demands of the community.

In 2018/19 the College had 1233 students, this reduction in numbers was roughly in line with expectations and reflected a reduced cohort of 16 to 18 year olds, positively recruitment of new students was higher than the previous year. The College has adjusted the staffing profile and resource allocation in line with the reduced number of students, in order to ensure the most efficient deployment of resources. The curriculum remained unchanged, and student outcomes have continued to improve.

The College has continued to develop a liaison and marketing strategy to secure student enrolments, alongside curriculum developments that are aligned with local and national priorities, particularly those of the Humber LEP. This strategy has involved closer working with East Hull partner schools.

- **Quality improvement**

The College was inspected in February 2018. The grades given by Ofsted confirmed the College's inspection status of 2015 as 'Good'.

The inspection identified the following key strengths:

- The leadership team and staff implement a clear and ambitious vision to provide high-quality study programmes for the young people of East Hull. High aspirations and expectations of students to which the great majority respond to gain valuable skills, achieve their qualifications and progress to higher education or employment.
- Governors provide tireless support and challenge to ensure a collective focus is maintained on raising the standards of education.
- There is a culture of continuous improvement that ensures that teachers develop their practice to a high standard and share their ideas and expertise with colleagues.
- Students on vocational courses make very good progress and develop very good skills, the vast majority completing their courses and a very high number achieving high grades. The large majority of A Level students making at least the expected progress.
- Teaching is of very high quality, sets challenging tasks, supports students to complete them successfully, and ensures that students know how to improve.
- There is a broad curriculum and good quality initial advice and guidance that ensure students enrol onto programmes that very successfully reflect their career aspirations.
- A curriculum that responds well to local and national priorities.
- A wide range of enrichment and volunteering activities, including the award winning 'Seeds of Change' to promote the benefits of a healthy lifestyle.
- Excellent careers advice and guidance, with the consequence that the large majority of students make well-informed choices.
- A culture of safeguarding that is embedded throughout the College, and ensures that students feel safe.
- A culture of high expectation set by Governors and senior managers which all staff have embraced resulting in improved outcomes for students.
- Leaders and managers have made very good progress in addressing areas for improvement identified at the last inspection because they have identified and tackled under-performing courses and teachers.

Student outcomes since 2014 have been amongst the best since the College opened in 1988 and this improvement has been sustained in 2019. The long term improvement of performance within departments and the consistency of achievement indicate that the College's quality systems are very effective in identifying potential underachievement and directing timely intervention.

REPORT OF THE GOVERNING BODY (CONTINUED)

Implementation of the strategic plan (continued)

At the end of 2018 the College restructured curriculum management to create Faculty Head posts. These Faculty Heads are managed by the Vice Principal and have responsibility for recruitment, outcomes and progression within defined faculties.

During the year an independent appraisal of the Chair of Governors was undertaken, including input from other Governors, which considered the performance of the Chair.

- **Partnership activity**

The College makes a significant contribution to 11-16 education in the local area through:

- Membership of the Hull Secondary Heads Group.
- Provision of teaching and enrichment activities with secondary school partners.

The College works with the 14-19 partnerships in Hull and the East Riding, with a range of local sports organisations and with local charities.

Wilberforce is an Associate College of the Universities of Hull, Lincoln, Coventry (Scarborough Campus) and Leeds Trinity.

Wilberforce continues to play an active role in the NORVIC partnership and the VENN partnership.

- **Efficiency gains**

Efficiency gains have been achieved in 2018/19 through more effective deployment of human resources and savings in non-pay costs.

Major savings in pay costs have been achieved through the review of the structure and consideration of the need to replace any staff as they have left the College. There has also been a review of all non-pay expenditure. These savings have been achieved at the same time as providing more specialised academic support to students and a rise in the College's overall success rate.

The Financial Management Group meets monthly and all significant expenditure is reviewed through this group. Further scrutiny is provided by the Corporation's Finance & General Purposes Committee.

REPORT OF THE GOVERNING BODY (CONTINUED)

Financial Objectives

The Corporation has set the following strategic targets:

- a) To achieve financial health category "good" within three years of any year from which the College falls below this level.
- b) To retain a general reserve equivalent to 10% or more of income at the end of the financial year.
- c) To maintain at least 25 cash days in hand at the end of the financial year.
- d) To maintain a current ratio of at least 1.3 to 1 at the end of the financial year.
- e) To maintain a budget plan which ensures that any operating deficits are planned and that there is a plan to return to an annual operating surplus within three years.

Actual and planned performance against strategic financial targets 2018-2021:

Objective	2017/18	2018/19	2019/20	2020/21
a)	Outstanding	Good	Good	R.I.
b)	67.71%	64.13%	62.57%	55.29%
c)	103 days	90 days	74 days	50 days
d)	4.48:1	4.24:1	3.37:1	2.33:1
e)	2.7%	0.46%	-3.7%	-4.7%

All of the strategic financial targets have been achieved in 2018/19 and are expected to be achieved in 2019/20 and 2020/21 with the exception of Objective 'e'. The College has planned for an annual operating deficit in 2019/20 and 2020/21.

- The College is expected to maintain financial health category "good" in 2019/20 and whilst the current financial plan for 2020/21 indicates a R.I. grade, plans to address this are being formulated.
- The general reserve remains high due to the surpluses generated in previous years.
- The College's liquidity position is predicted to remain above the strategic targets for the life of the Financial Plan.
- The Corporation believes that the College has a strong record of fiscal stability and has a good base for continuing investment in the College's facilities.

The College is committed to observing the importance of sector measures and indicators and uses the data available on the GOV.UK website which looks at measures such as success rates. The College also subscribes to the ALPS and Six Dimensions student progress performance measures. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The Finance Record produces a financial health grading. The current rating of "good" for 2018/19 and 2019/20 is considered an acceptable outcome. The Requires Improvement rating for 2020/21 was awarded prior to the confirmed increase in the rate and confirmation of the funding of the teachers pension, work to improve this rating is currently being undertaken.

In 2019 the College achieved its best ever results and secured high grades of 77% and a pass rate of 99% across all courses. At all levels, retention in 2018/19 has been maintained at a high level.

REPORT OF THE GOVERNING BODY (CONTINUED)

Financial Position

Financial results

The College has generated an operating deficit of £77,000 for the year 2018/19 (£177,000 surplus 2017/18). The total comprehensive income for the year 2018/19 is negative £216,000 (positive £870,000, 2017/18).

The College has accumulated income and expenditure reserves of £4,071,000 and a cash balance of £1,214,000 at 31 July 2019.

Tangible fixed asset additions during the year amounted to £615,000 and related to the refurbishment of hair and beauty area, investment in IT, Solar Panels and Furniture.

The College has significant reliance on the education sector funding body for its principal funding source, largely from recurrent grants. In 2018/19 the funding body provided 96% of the College's total income.

Treasury policies and objectives

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

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

Cash flows

At £684,000 (2017/18 £281,000), cash generated from operations was reasonably strong.

Liquidity

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

Reserves policy

The College recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College maintains cash reserves to cover pay and non-pay costs for at least the next month. As at the balance sheet date the Income and Expenditure reserve stands at £4,071,000 (2018: £4,258,000).

REPORT OF THE GOVERNING BODY (CONTINUED)

Current and future development and performance

- **Financial health**

The College's current financial health grade is classified as "good" and is expected to remain at least "good" throughout the period of the financial plan 2018-20, it is currently R.I. in 2021 however work to bring the grade back to good by 2021 is ongoing. Whilst recruitment for 2019 has fallen slightly it has now stabilised and robust financial management will ensure budgets are managed accordingly. The College has in place a clear strategy to address the fall in recruitment and early signs this year show an increased interest and awareness of the College's offer from current year 11 students. The College has also been allocated additional funding to establish a Maths Centre for Excellence and continues to seek additional funding. The curriculum offer for 2019 and beyond has been and will continue to be reviewed to make sure the College offer is appropriate and delivers a high quality experience for students.

- **Government policy including Area Based Review**

The College participated in the national programme of Area Based Review, intended to secure the long term viability of the post-16 college sector through a process of review and consolidation/rationalisation. The College collaboratively developed a proposal for a Sixth Form Federation as a partnership of the four Humber Sixth Form Colleges. This was agreed as a recommendation from the two respective Area Based Reviews that covered the Humber. Specifically the recommendation is:

'Wilberforce SFC and Wyke SFC to establish a formal federated structure with Franklin SFC and John Leggott SFC to drive up quality, sustain and improve the curriculum offer, and introduce a range of shared services by July 2017. As independent institutions, the SFCs will continue to review, through the Federation, further options for closer collaboration and structural change. Both institutions to collaborate with the General Further Education colleges and schools in the Hull area to ensure that a wide and sustainable offer is available to students and employers locally.'

Key features of the Federation are as follows:

1. All Colleges remain independent Corporations. There is no intention at this stage for any mergers. The Federation effectively represents an external body through which the Colleges collaborate on mutually agreed areas of common interest. Eversheds are providing legal advice to governors on the constitution of the Federation.
2. The primary purpose of the Federation is to raise quality and thus improve outcomes. This is being achieved through comparative and benchmarked analysis of outcomes across the four colleges, to identify good practice and underachievement. The other side to this is improvement in professional practice, based upon areas of good practice.
3. The Federation is also enabling the Colleges to secure financial savings through joint procurement, shared services and the sharing of best practice. The Colleges will be able to engage in joint activity, including competitive bids for projects and developmental activity such as a Teaching School.
4. The ESFA provided £100k to support the establishment of the Federation, up to July 2018. This has been spent upon legal/financial advice and the employment of external consultancy. This has primarily been the engagement of the services of Eversheds for legal advice with Rollits for Due Diligence, and John Boyle (Chair Blackpool SFC and ESFA Consultant) to advise on the process.

The Federation expanded in March 2018 to include Scarborough Sixth Form College, and is now a legally constituted company 'The Venn Partnership', though it is not trading. The Venn Partnership is now a well-established educational group. The Principals' Group meet monthly, initially to set up the Partnership structures, and increasingly to lead joint activity. The Vice/Deputy Principals have formed a highly effective Quality and Curriculum Committee which provides peer scrutiny of college performance, and initiates intervention and support as necessary. It also directs staff development activity to raise standards of professional practice across the Partnership.

REPORT OF THE GOVERNING BODY (CONTINUED)

Current and future development and performance (continued)

- **Developing resources**

The College will seek to maintain a competitive position by continuing to invest in staff, buildings, computer resources and teaching and study facilities. The College will seek to employ funds with maximum efficiency to provide the resources to sustain ongoing development.

- **New freedoms**

The College has developed a Board Assurance Framework. This has enabled the Audit Committee to commission activity that extends more widely than previously in order to address the wider profile of risks that the College has identified.

Staff and student involvement

All College staff are asked to contribute to the planning for the strategic direction of the College through team meetings, staff meetings, management meetings and development group meetings.

Widespread consultation is undertaken with staff on major issues and the College's management team operates an open door policy and welcomes ideas and suggestions. An annual staff survey was introduced in 2014, benchmarked against other Colleges, this is regularly updated.

Students are consulted on issues through the tutor group system and 'Student Voice' activities. The student body elects a Student Council which holds regular surgeries and welcomes views. The Student Council is represented on the Governing Body of the College. This consultation has been very effective in determining improvement priorities including e-learning in lessons and resource deployment into social areas, the creation of a College gym and the development of study facilities.

Staff and students are encouraged to email suggestions, ideas or criticisms to the College's management team. All such emails are followed up promptly.

Events after the end of the reporting period

There are no significant post balance sheet events.

REPORT OF THE GOVERNING BODY (CONTINUED)

Future prospects

The College is confident that it constitutes a 'going concern' beyond the period of the next twelve months. A number of factors inform this view:

1. The College has consistently demonstrated prudent financial management. Year end outcomes have always been consistent with the ESFA financial rating of the budget plan. The College has achieved a surplus budget for the past two years. The College has made adjustments in line with a decline in enrolments, and consequently funding. The College has cash reserves which can support any adjustments required by structural change at a national and regional level. Consequently the College has never been subject to a financial notice to improve.
2. In 2017/18 the demographic was at its lowest point for year 11 numbers. 2019/20 will see an increase in this cohort of circa 100 students, a pattern which will continue for the next five years. The College is in a strong position to recruit a portion of these.
3. College retention has improved over the last four years due to the linearity nature of courses.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the main College site, which has been developed significantly over recent years.

Financial

The College has £5,468,000 of net assets (including £546,000 pension liability) and long term debt of £493,000 at 31 July 2019.

People

During the year ended 31 July 2019 the College employed 124 people (expressed as full time equivalents), of whom 65 were teaching staff.

Reputation

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success in attracting students and external relationships.

REPORT OF THE GOVERNING BODY (CONTINUED)

Principal risks and uncertainties

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

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

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

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

1. Government funding

The College has considerable reliance on continued government funding through the further education sector funding body. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding:

- Changes to the funding of post-16 provision. The current funding settlement had been confirmed under the previous administration until 2020, specifically in terms of the core funding rate of £4,000 for a 16-18 student. A recent Government announcement has confirmed an increase in the base rate from 2020/21 of 4.7%. Additional income has also been identified although the detail of this is still to be confirmed. Funding for the increase in Teachers Pensions has been confirmed for 2019/20 and is likely to be confirmed for 2020/21.
- The uncertainties regarding the country's withdrawal from the EU may result in significant changes to Treasury policy that cannot be predicted at present. The removal of the 1% pay cap on Schoolteacher pay settlements will also create pressure for an increased settlement post-16 which will not be funded for sixth form Colleges.
- The introduction of 16-19 academies and a UTC in the College's operating area to which limited resources may be prioritised and the potential for alternative local sixth form or other provision that may impact upon recruitment and thus funding.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training.
- By reviewing and undertaking a risk assessed approach to alternative sources of funding.
- Considerable focus and investment placed on maintaining and managing key relationships with the various funding bodies.
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- Regular dialogue with the Education and Skills Funding Agency.
- Collaborative working with the Federation and other sixth form providers to secure more effective delivery in terms of quality and financial efficiency.
- By increasingly developing strategies to generate external income.

REPORT OF THE GOVERNING BODY (CONTINUED)

Principal risks and uncertainties (continued)

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102.

This risk is mitigated by an agreed deficit recovery plan with the East Riding Pension Fund.

3. Failure to maintain the financial viability of the College

The College's current financial health grade is classified as "good" as described on page 6. Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on further education funding arising from the ongoing cuts in public sector spending whilst maintaining the student experience. This risk is mitigated in a number of ways:

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

4. Adequacy of going concern assumption

Increased uncertainty over income streams, the development of other providers and future curriculum change all present challenges to the College. These will be managed through ongoing referral and employment of the College's risk register.

The College scrutinises the viability and solvency of its operations rigorously. Budget contingencies are maintained in order to be able to address possible future challenges in managing cost reductions and inflationary pressures.

The College will continue to increase investment in effective publicity and liaison to secure future income.

The College returned a deficit in 2018/19 after the revaluation reserve transfer and expects to make a planned loss over the next two years before returning to a surplus. This risk will be mitigated in a number of ways including:

- Considering possible staffing efficiencies.
- Reviewing the curriculum and rationalising where appropriate and in line with local and national priorities.
- Reviewing alternative income sources.
- Continuing to develop the College estate, quality of provision and promotion of the College to ensure viable student enrolments.
- Delivering against the strategic plan to move towards an 'Outstanding' Ofsted grade.

Accordingly it is expected that the College has adequate resources to continue in operational existence for the foreseeable future, the forecast covers the period to at least July 2021 and therefore these financial statements have been prepared on the going concern basis.

REPORT OF THE GOVERNING BODY (CONTINUED)

Stakeholder relationships

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

- Students;
- Parents;
- Sixth Form Commissioner;
- Education sector funding bodies;
- Staff;
- The Humber LEP and Bondholders;
- Local employers (with specific links);
- Local Authorities;
- Government Offices;
- The wider local community;
- Other FE institutions;
- Trade unions;
- Professional bodies;
- Regional and national universities.

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site, through email access to senior managers and by meetings.

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 has invested in resources to promote the objectives of the Equality Act 2010, including:

- Estates development to ensure there are no physical hindrances to participation in the College.
- Employment of specialist staff to provide support for additional needs, emotional needs or physical needs.
- Provision of specialist equipment to support the participation of any individual with additional or special needs.

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

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

The College seeks to achieve the objectives of the Equality Act through:

- Rigorous elimination of any form of bias or bigotry from any aspects of the College's systems, activities or the actions of any member of the College community.
- Promoting an understanding of the needs and rights of all the diverse groups represented in the College community.
- Ensuring that the needs of potential governors, staff, students or parents of students are met wherever possible so that there are no barriers to participation in the College community.

REPORT OF THE GOVERNING BODY (CONTINUED)

Disability statement

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

- i. As part of its accommodation strategy the College has made major improvements to access to buildings and facilities for students with additional needs.
- ii. The College retains an Additional Needs Manager, who provides information, advice and arranges support where necessary for students with disabilities.
- iii. There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
- iv. The admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- v. The College has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- vi. Specialist programmes are described in the College prospectus, and achievements and destinations are recorded and published.
- vii. Counselling and welfare services are described in the College Student Guide, which is available online to students together with the Complaints and Disciplinary Procedure information.

Trade union facility time

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

Relevant Union Officials

Union Officials During relevant period	FTE employee number
	4

Percentage of time spent on facilities time.	Number of employees
0%	4
1-50%	
51-99%	
100%	

Percentage of Pay Bill Spent on Facilities Time

Total cost of facility time	0
Total pay bill	£5,247,000
Percentage of total bill spent on facility time	0

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time	0
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REPORT OF THE GOVERNING BODY (CONTINUED)**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 4th December 2019 and signed on its behalf by:



Patricia Mould
Chair

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2018 to 31st July 2019 and up to the date of the approval of the annual report and financial statement.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- ii. having due regard to the UK Corporate Governance Code 2016 ("the Code") insofar as it is applicable to the Further Education Sector.

The College is committed to exhibiting best practice in all aspects of corporate governance. In the opinion of the governors, the College complies with all the provision of the Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2019. The governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

The Corporation

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

<i>Name</i>	<i>Date of Appointment</i>	<i>Term of Office</i>	<i>Date of Resignation</i>	<i>Current Status of Appointment</i>	<i>Committees Served</i>	<i>Attendance at Corporation</i>
Mr Stephen Brown	Appointed 7/12/16 (Parent)	2 years (Parent)		Independent	Audit Committee	100%
	Re-appointed 7/12/18	4 years				
Mrs Joanne Brownlee	Appointed 10/10/11	2 years		Staff (Support)	Finance & General Purposes Committee	100%
	Re-appointed 10/10/13	4 years				
	Re-appointed 10/10/17	4 years				
Mr Steve Cook	Appointed 25/1/08	2 years		Independent	Audit Committee	100%
	Re-appointed 25/1/10	4 years				
	Re-appointed 25/1/14	4 years				
	Re-appointed 25/1/18	4 years				
Ms Wendy Cross	5/12/18	2 years		Parent	(appointed to a committee for 2019/20)	0%

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
Members (continued)

<i>Name</i>	<i>Date of Appointment</i>	<i>Term of Office</i>	<i>Date of Resignation</i>	<i>Current Status of Appointment</i>	<i>Committees Served</i>	<i>Attendance at Corporation</i>
Mr Stewart Edwards	Appointed 6/2/16	2 years		Staff (Teaching)	Audit Committee	100%
	Re-appointed 5/2/18	4 Years				
Ms Amanda Fenton	Appointed 27/3/19	2 years		Independent	(appointed to a committee for 2019/20)	100%
Ms Donna Fitzgerald	Appointed 9/12/15	2 years		Independent	Quality & Standards Committee	100% (excluding approved leave of absence)
	Re-Appointed 9/12/17	4 Years				
Mr Alan Foster	Appointed 19/3/08	2 years		Independent	Vice Chair of the Corporation	100% (excluding approved leave of absence)
	Re-appointed 19/3/10	4 years			Finance & General Purposes Committee	
	Re-appointed 19/3/14	4 years			Search & Governance Committee	
	Re-appointed 19/3/18	4 years			Remuneration Committee	
Mrs Chris Gurevitch	Appointed 14/4/10	2 years		Independent	Audit Committee	100%
	Re-appointed 14/4/12	4 years			Quality & Standards Committee	
	Re-appointed 14/4/16	4 years				
Mrs Diana Hoskins	Appointed 22/9/04	2 years		Independent	Quality & Standards Committee	100%
	Re-appointed 22/9/06	4 years			Remuneration Committee	
	Re-appointed 22/9/10	4 years			Search & Governance Committee	
	Re-appointed 22/9/14	4 years				
	Re-appointed 22/9/18	2 Years				
Mr Robert Morley	Appointed 30/9/15	2 years	31/7/19	Independent	Finance & General Purposes Committee	25%
	Re-Appointed 30/9/17	4 Years				

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
Members (continued)

Name	Date of Appointment	Term of Office	Date of Resignation	Current Status of Appointment	Committees Served	Attendance at Corporation		
Ms Patricia Mould	Appointed 28/6/95	4 years		Independent	Chair of the Corporation	100%		
	Re-appointed 28/6/99	4 years			Quality & Standards Committee			
	Re-appointed 28/6/03	4 years			Finance & General Purposes Committee			
	Re-appointed 28/6/07	4 years			Remuneration Committee			
	Re-appointed 28/6/11	4 years			Search & Governance Committee			
	Re-appointed 28/6/15	4 years						
	Re-appointed 6/7/19	4 years						
Mr Robert Overment	Appointed 1/6/19	2 years		Independent	Finance & General Purposes Committee (from 1/7/19)	100%		
Mr Colin Peaks	Appointed 1/9/18	n/a		Principal	Quality & Standards Committee	100%		
					Finance & General Purposes Committee			
					Search & Governance Committee			
Mr Jon Richardson	Appointed 6/7/16	2 years		Independent	Quality & Standards Committee	25%		
	Re-appointed 06/07/18	4 Years						
Mr Paul Simpson	Appointed 9/7/14	2 years		Independent	Audit Committee	100%		
	Re-appointed 9/7/16	4 years					Remuneration Committee	
							Search & Governance Committee	
Cllr Denise Thompson	Appointed 7/12/16	2 years		Independent	Search & Governance Committee	75%		
	Re-appointed 7/12/16	4 years						

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

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, staffing, safeguarding and environmental issues. The Corporation meets each term. During the year ended 31 July 2019 average attendance at Corporation meetings was 79.4%.

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

Full minutes of all meetings except those deemed to be confidential by the Corporation are available on the College's website (www.wilberforce.ac.uk) or from the Clerk to the Corporation at:

Wilberforce College
Saltshouse Road
HULL
HU8 9HD

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 also provided on a regular and 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 Corporation 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 has a Search & Governance Committee, consisting of six members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration and subsequent approval. 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.

Corporate performance

The Corporation was self-assessed in 2018/2019 as 'Good' and this reflected the grade at the last Ofsted inspection in February 2018.

The Corporation will carry out a self-assessment of its own performance for the year ended 31 July 2019 in the Autumn term, in line with the College's self-assessment cycle and following release of provisional student outcomes. A summary of this self-assessment will be included in the whole College self-assessment report. Each committee assesses its own performance at the last meeting of the academic year.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)**Quality & Standards Committee**

Throughout the year ended 31 July 2019, the College's Quality & Standards Committee comprised of six members of the Corporation. The committee's responsibility is to monitor the College's quality assurance activities and to interrogate the target setting process.

Remuneration Committee

Throughout the year ended 31 July 2019, the College's Remuneration Committee comprised of four members of the Corporation.

The committee's responsibilities are to receive the appraisal outcomes from senior post-holders, the Accounting Officer and the Clerk. The committee considers and approves the conditions of service and remuneration of senior post-holders, the Accounting Officer and the Clerk.

Details of remuneration for the year ended 31 July 2019 are set out in note 6 to the financial statements.

Finance & General Purposes Committee

Throughout the year ended 31 July 2019, the College's Finance & General Purposes Committee comprised of five members of the Corporation, including one Chartered Accountant.

The committee's responsibilities are to scrutinise and monitor the financial performance of the College and efficient and effective use of resources to ensure the financial wellbeing of the College and appropriate use of public funds.

Audit Committee

Throughout the year ended 31 July 2019, the Audit Committee comprised of five members of the Corporation (excluding the Accounting Officer). 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 regularity 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 FE funding body, as they affect the College's business.

Management is responsible for the implementation of agreed audit recommendations. The Audit Committee monitors the status of all audit recommendations and ensures that the recommendations are implemented. The Corporation agreed not to appoint internal audit services from 1 August 2015 and has undertaken a review of key risks and assurances from the Board Assurance Framework. Annual audit plans are devised with a view to engaging external work from appropriate specialists and extending the remit of external audit if and when required.

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

Search & Governance Committee

Throughout the year ended 31 July 2019, the Search & Governance Committee comprised of six members of the Corporation. The committee operates in accordance with written terms of reference, also approved at this meeting.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Committee Members 2018-19

Corporation

Mr Stephen BROWN
Mrs Joanne BROWNLEE
Mr Steve COOK
Ms Wendy CROSS (from 5/12/18)
Mr Stewart EDWARDS
Ms Amanda FENTON (from 27/3/19)
Ms Donna FITZGERALD
Mr Alan FOSTER (Vice Chair)
Mrs Chris GUREVITCH
Mrs Diana HOSKINS
Mr Robert MORLEY
Ms Patricia MOULD (Chair)
Mr Robert OVERMENT (from 1/6/19)
Mr Colin PEAKS
Mr Jon RICHARDSON
Mr Paul SIMPSON
Cllr Denise THOMPSON

Search & Governance

Mr Steve COOK (up to 30/6/19)
Mr Alan FOSTER (from 1/7/19)
Mrs Diana HOSKINS
Ms Patricia MOULD (Chair)
Mr Paul SIMPSON
Cllr Denise THOMPSON

Remuneration

Chair of the Corporation - Ms Patricia MOULD
Vice Chair of the Corporation - Mr Alan FOSTER
Finance & General Purposes - Mr Alan FOSTER
Quality & Standards - Mrs Diana HOSKINS
Audit - Mr Paul SIMPSON
Search & Governance - Ms Patricia MOULD

Finance & General Purposes

Mrs Joanne BROWNLEE
Mr Stewart EDWARDS
Mr Alan FOSTER (Chair)
Mr Robert MORLEY
Ms Patricia MOULD

Audit

Mr Stephen BROWN
Mr Steve COOK
Mrs Chris GUREVITCH
Mr Paul SIMPSON (Chair)
Cllr Denise THOMPSON

Quality & Standards

Ms Donna FITZGERALD
Mrs Chris GUREVITCH
Mrs Diana HOSKINS (Chair)
Ms Patricia MOULD
Mr Colin PEAKS
Mr Jon RICHARDSON

Appeals

As required - 3 members, excluding the Chair and Vice Chair of the Corporation, the Principal and Staff and Student members.

Special

As required - 3 members, excluding the Chair and Vice Chair of the Corporation, the Principal and Staff and Student members

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

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 he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between Wilberforce College and the funding body. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wilberforce College for the year ended 31 July 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2019 and up to the date of approval of the annual report and financial statements. 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 did not appoint an internal audit service for the year ended 31 July 2019. College management and Governors have assessed the internal controls and utilise a Board Assurance Framework, clearly showing the mapping of assurance sources against the risks identified. This methodology is now embedded into College systems and is an appropriate alternative to internal audit.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)**Internal Control (continued)**

The College analysed the risks to which it was exposed and a programme of assurance was agreed with the Audit Committee. The Committee was provided with regular reports on this assurance activity in the College which included:

- ILR exemption reports
- GDPR process
- Financial procedures

Review of effectiveness

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

- the work of the internal quality function determined by the Audit Committee in line with the Board Assurance Framework
- 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 in their management letters and other reports.

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

The Accounting Officer and senior management team receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Accounting Officer, senior management team and the Audit Committee also receive regular reports commissioned by the Audit Committee 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 2019 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2019 by considering documentation from the senior management team and taking account of events since 31 July 2019.

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

Going concern

The latest two year financial plan prepared by the College covers the period 2019-21. This shows that the College expects to maintain a healthy financial position over the period of the plan, with both pay costs and non-pay costs being tightly controlled. Monthly cash flow forecasts have been prepared up to July 2021 and these show that the College also expects to maintain a healthy cash balance over the period.

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future and certainly the period to 2020/21 covered by the financial planning. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Approved by order of the members of the Corporation on 4th December 2019 and signed on its behalf by:


.....
Patricia Mould - Chair


.....
Colin Peaks - Accounting Officer

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

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

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

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.



Patricia Mould - Chair

4th December 2019

Colin Peaks - Accounting Officer

4th December 2019

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

Within the terms and conditions of the College's Conditions of Funding with the ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education (2015 FE HE SORP) and with the College Accounts Direction 2018 to 2019 issued by the ESFA, and which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements the Corporation is required to:

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

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

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the ESFA are used only in accordance with the 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 in order 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 the ESFA are not put at risk.

Approved by order of the members of the Corporation on 4th December 2019 and signed on its behalf by:



Patricia Mould
Chair

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WILBERFORCE SIXTH FORM COLLEGE**Opinion**

We have audited the financial statements of Wilberforce Sixth Form College (the "College") for the year ended 31 July 2019 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 2019 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 Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 2018 to 2019 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.

**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WILBERFORCE SIXTH FORM COLLEGE
(CONTINUED)****Responsibilities of the Corporation of Wilberforce Sixth Form College**

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 26, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

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

Date

9/12/2019

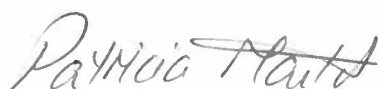
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £'000	2018 £'000
INCOME			
Funding body grants	3	6,765	6,548
Other income	4	302	377
Investment income	5	3	8
Total income		7,070	6,933
EXPENDITURE			
Staff costs	6	5,247	4,821
Other operating expenses	7	1,494	1,423
Depreciation	10	360	440
Interest and other finance costs	8	46	72
Total expenditure		7,147	6,756
(Deficit)/surplus before other gains and losses and taxation		(77)	177
Taxation	9	-	-
(Deficit)/surplus for the year		(77)	177
Re-measurement of net defined benefit pension liability	20	(139)	693
Other comprehensive income for the year		(139)	693
Total comprehensive income for the year		(216)	870
Total comprehensive income for the year attributable to the Corporation of the College		(216)	870

BALANCE SHEET AS AT 31 JULY

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible fixed assets	10	6,029	5,774
Current assets			
Debtors	11	41	146
Investments	12	750	500
Cash at bank and in hand		1,214	1,587
		<u>2,005</u>	<u>2,233</u>
Current liabilities			
Creditors – amounts falling due within one year	13	(600)	(520)
Net current assets		<u>1,405</u>	<u>1,713</u>
Total assets less current liabilities		7,434	7,487
Creditors – amounts falling due after more than one year	14	(1,272)	(1,384)
Provisions for liabilities			
Defined benefit pension scheme	20	(546)	(263)
Other provisions	15	(148)	(156)
Total net assets		<u>5,468</u>	<u>5,684</u>
Unrestricted reserves			
Income and expenditure reserve		4,071	4,258
Revaluation reserve		1,397	1,426
Attributable to the College Corporation and total unrestricted reserves		<u>5,468</u>	<u>5,684</u>

The financial statements on pages 29 to 51 were approved and authorised for issue by the Corporation on 4th December 2019 and were signed on its behalf on that date by:



Patricia Mould
Chair



Colin Peaks
Accounting Officer

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2019

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2017	3,337	1,477	4,814
Surplus for the year	177	-	177
Other comprehensive income (note 20)	693	-	693
Transfers between revaluation and income and expenditure reserves	51	(51)	-
Total comprehensive income for the year	<u>921</u>	<u>(51)</u>	<u>870</u>
Balance at 31 July 2018	4,258	1,426	5,684
Deficit for the year	(77)	-	(77)
Other comprehensive income (note 20)	(139)	-	(139)
Transfers between revaluation and income and expenditure reserves	29	(29)	-
Total Comprehensive Income for the year	<u>(187)</u>	<u>(29)</u>	<u>(216)</u>
Balance at 31 July 2019	<u>4,071</u>	<u>1,397</u>	<u>5,468</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £'000	2018 £'000
Operating activities			
Cash generated from operations	17	<u>684</u>	<u>281</u>
Net cash from operating activities		<u>684</u>	<u>281</u>
Investing activities			
Investment income	5	3	8
Payments made to acquire tangible fixed assets	10	(615)	(39)
Placing of deposits		<u>(252)</u>	<u>-</u>
		<u>(864)</u>	<u>(31)</u>
Financing activities			
Interest paid	8	(37)	(48)
Repayments of amounts borrowed		<u>(156)</u>	<u>(149)</u>
		<u>(193)</u>	<u>(197)</u>
(Decrease)/Increase in cash and cash equivalents in the year		<u>(373)</u>	<u>53</u>
Cash and cash equivalents at beginning of the year		<u>1,587</u>	<u>1,534</u>
Cash and cash equivalents at end of the year		<u>1,214</u>	<u>1,587</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019**1 Accounting policies****General information**

Wilberforce Sixth Form College is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 19. The nature of the College's operations are set out in the Report of the Governing Body.

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the College Accounts Direction for 2018 to 2019 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) under the historical cost convention. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

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

The latest two year financial plan prepared by the College covers the period 2019-21. This shows that the College expects to maintain a healthy financial position over the period of the plan. The College currently has £658,000 of loans outstanding with banks and has cash at bank or in short term investments of £1,964,000. Cash flow forecasts for the period to 31st July 2021 show cash balances will remain healthy.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, the forecast covers the period to at least July 2021, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)**1 Accounting policies (continued)****Recognition of income****Grants – government and non-government**

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Funding body recurrent grants are measured in line with best estimates for the year of what is receivable and depend on the particular income stream involved. Any under achievement of the Adult Education Budget outside of permitted tolerance levels is adjusted for and reflected in the level of recurrent grant recognised in comprehensive income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

Grants from non-government sources, including grants relating to assets, are recognised in income when the College has met the performance-related conditions and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

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

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

Retirement benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions Scheme (TPS) and the East Riding Pension Fund (ERPF), which are multi-employer defined benefit plans.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the Statement of Comprehensive Income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)

1 Accounting policies (continued)

Retirement benefits (continued)

The ERPF is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

Enhanced pensions

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

Tangible fixed assets

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

Land and buildings

Land and buildings are stated at deemed cost at the date of transition to FRS 102 less accumulated depreciation and accumulated impairment losses.

Equipment

Equipment costing less than £2,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated as it is considered to have an infinite useful life. Depreciation on other assets is calculated, using the straight line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- | | |
|------------------------------------|------------------------|
| • General equipment | 4 years |
| • Computer equipment | 4 years |
| • Furniture, fixtures and fittings | between 5 and 15 years |
| • Freehold buildings | between 5 and 50 years |

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)**1 Accounting policies (continued)****Tangible fixed assets (continued)**

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

Impairments of fixed assets

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

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Borrowing costs

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

Leased assets

All leases are operating leases and annual rents are charged to comprehensive income on a straight line basis over the lease term.

Investments

Investments include bank deposits which have a maturity of more than three months from the date of acquisition.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts.

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

Financial instruments

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

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)**1 Accounting policies (continued)****Financial instruments (continued)**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

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

Taxation

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

The College receives no similar exemption in respect of value added tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Capital costs and non-pay expenditure are therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Provisions and contingent liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)**1 Accounting policies (continued)****Agency arrangements**

The College acts as an agent in distributing certain discretionary support funds from the funding body. Payments received from the funding body and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

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

- Determined whether leases entered into by the College as a lessee are operating or finance leases.

*Critical accounting estimates and assumptions***East Riding Pension Fund**

The present value of the East Riding Pension Fund defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability

Tangible fixed assets

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

Impairment of fixed assets

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of appropriate discount rates in order to calculate the net present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
3 Funding body grants

	2019 £'000	2018 £'000
Recurrent grants		
Education and Skills Funding Agency - adult	7	20
Education and Skills Funding Agency - 16-18	6,226	6,350
Specific grants		
Education and Skills Funding Agency	483	72
Releases of government capital grants	49	106
Total	<u>6,765</u>	<u>6,548</u>

4 Other income

	2019 £'000	2018 £'000
Catering	114	151
Other income generating activities	12	10
Miscellaneous income	176	216
Total	<u>302</u>	<u>377</u>

5 Investment income

	2019 £'000	2018 £'000
Other interest receivable	3	8
Total	<u>3</u>	<u>8</u>

6 Staff costs and key management personnel remuneration

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

	2019 No.	2018 No.
Teaching staff	65	69
Non-teaching staff	59	55
	<u>124</u>	<u>124</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
6 Staff costs and key management personnel remuneration (continued)

	2019 £'000	2018 £'000
Staff costs for the above persons		
Wages and salaries	3,987	3,654
Social security costs	381	346
Other pension costs	787	769
	<hr/>	<hr/>
Payroll sub-total	5,155	4,769
Contracted out staffing services	40	48
	<hr/>	<hr/>
	5,195	4,817
Restructuring costs - contractual	52	4
- non-contractual	-	-
	<hr/>	<hr/>
Total staff costs	<hr/> 5,247 <hr/>	<hr/> 4,821 <hr/>

The staff restructuring costs were approved by the Corporation.

Key management personnel compensation

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

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

	2019 No.	2018 No.
The number of key management personnel including the Accounting Officer was:	<hr/> 6 <hr/>	<hr/> 4 <hr/>

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

	Key management personnel	
	2019 No.	2018 No.
£ 5,001 to £10,000 p.a.	-	-
£40,001 to £45,000 p.a.	2	-
£50,001 to £55,000 p.a.	1	-
£55,001 to £60,000 p.a.	-	1
£60,001 to £65,000 p.a.	-	1
£65,001 to £70,000 p.a.	1	-
£70,001 to £75,000 p.a.	-	1
£95,001 to £100,000 p.a.	1	-
£105,001 to £110,000 p.a.	1	1
	<hr/> 6 <hr/>	<hr/> 4 <hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
6 Staff costs and key management personnel remuneration (continued)

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

	2019 £'000	2018 £'000
Salaries	315	302
National Insurance	39	37
	<u>354</u>	<u>339</u>
Pension contributions	42	50
	<u>42</u>	<u>50</u>
Total emoluments	<u>396</u>	<u>389</u>

There were no benefits in kind. There were no amounts due to key management personnel that were waived in the year.

The above emoluments include amounts payable to the Accounting Officer who resigned on 31st August 2018 and the Accounting Officer appointed on the 1 September 2018 (who is also the highest paid of key management personnel) of:

	2019 £'000	2018 £'000
Salaries (Accounting Officer resigned 31 st August 2018)	9	109
National Insurance (Accounting Officer resigned 31 st August 2018)	1	14
	<u>10</u>	<u>123</u>
Pension contributions (Accounting Officer resigned 31 st August 2018)	2	18
	<u>2</u>	<u>18</u>
Salaries (Accounting Officer employed 1 st September 2018)	94	-
National Insurance (Accounting Officer employed 1 st September 2018)	12	-
	<u>106</u>	<u>-</u>
Pension contributions (Accounting Officer employed 1 st September 2018)	4	-
	<u>4</u>	<u>-</u>

The remuneration of the accounting officer for 2018-19 was determined on appointment of the Accounting Officer in December 2017 by the College's Remuneration Committee, no further increases to the remuneration have been awarded. The accounting officer was not involved in setting their remuneration. The factors taken into account by the Committee in determining the Accounting Officer's remuneration for the year to 31 July 2019 were considered on the 23rd January 2019, when all other key management posts were also considered. Factors considered included benchmarking across the sector together with performance measured against key criteria identified within the College Development Plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
6 Staff costs and key management personnel remuneration (continued)

	2019	2018
	No	No
Basic salary as a multiple of median basic salary of staff	3	3
Total remuneration as a multiple of median total remuneration of staff	3	3

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

Governors' remuneration

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

During the year no governors (2018: no governors) were paid (2018: £nil) in respect of travel and subsistence expenses and other out of pocket expenses incurred in the course of their duties

7 Other operating expenses

	2019	2018
	£'000	£'000
Teaching costs	518	489
Non teaching costs	659	629
Premise costs	317	305
Total	1,494	1,423

Deficit before taxation is stated after charging:

Auditor's remuneration:

- Financial statements audit	13	12
- Other services provided by financial statements auditors:		
Audit related assurance services - regularity	4	4
Other assurance services	-	-
Operating lease rentals	15	31

8 Interest and other finance costs

	2019	2018
	£'000	£'000
Bank loans	37	48
Net interest on defined pension liability (note 20)	9	24
Total	46	72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
9 Taxation

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

10 Tangible fixed assets

	Freehold land and buildings £'000	Equipment £'000	Total £'000
Cost or valuation			
At 1 August 2018	10,807	1,159	11,966
Additions	317	298	615
At 31 July 2019	11,124	1,457	12,581
Depreciation			
At 1 August 2018	5,188	1,004	6,192
Charge for year	239	121	360
At 31 July 2019	5,427	1,125	6,552
Carrying amount			
At 31 July 2019	5,697	332	6,029
At 31 July 2018	5,619	155	5,774

Land and buildings includes land valued at £720,000 (2018 £720,000) that is not depreciated.

Land and buildings were valued in 1994 at depreciated replacement cost by a firm of independent chartered surveyors.

If tangible fixed assets had not been revalued before being deemed at cost on transition they would have been included at the following historical cost amounts:

	£'000
Cost	Nil
Aggregate depreciation based on cost	Nil
Total	Nil

11 Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Trade debtors	2	17
Prepayments and accrued income	39	104
Amounts owed by ESFA	-	25
Total	41	146

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
12 Investments

	2019 £'000	2018 £'000
Short term deposits	750	500
Total	750	500

Investments are fixed interest rate bank deposits with maturity of more than three months at the balance sheet date.

13 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Bank loans	165	156
Trade creditors	42	24
Other taxation and social security	93	92
Other creditors	186	75
Accruals and deferred income	64	48
Government capital grants	40	99
Amounts owed to the ESFA	10	26
Total	600	520

14 Creditors: amounts falling due after one year

	2019 £'000	2018 £'000
Bank loans	493	659
Government capital grants	779	725
Total	1,272	1,384

Bank loans	2019 £'000	2018 £'000
Bank loans repayable as follows:		
In one year or less	165	156
Between one and two years	175	165
Between two and five years	266	400
In five years or more	52	94
Total	658	815

The remaining balance on the original bank loan of £1,500,000 with Lloyds is £413,200 at 31 July 2019. This loan is unsecured with a fixed interest rate of 5.915% per annum and is repayable by quarterly variable instalments from 2 July 2007 to 30 June 2022.

The remaining balance on the £300,000 bank loan taken out in July 2010 with Barclays is £142,750 at 31 July 2019. This loan is unsecured with a fixed interest rate of 4.20% per annum and is repayable by quarterly variable instalments from 14 October 2010 to 14 July 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)

The remaining balance on the £200,000 bank loan taken out in December 2010 with Barclays is £102,650 at 31 July 2019. This loan is unsecured with a fixed interest rate of 4.35% per annum and is repayable by quarterly variable instalments from 10 March 2011 to 10 December 2025.

15 Provisions for liabilities

	Enhanced pensions £'000
At 1 August 2018	156
Amounts utilised	(15)
Changes in period charged to Statement of Comprehensive Income	7
	<hr/>
At 31 July 2019	148

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

The principal assumptions for this calculation are:

	2019 £'000	2018 £'000
Price inflation	2.2%	1.30%
Discount rate	2.2%	2.30%

16 Financial Instruments

The College has the following financial instruments:	2019 £000	2018 £000
Financial assets		
Financial assets measured at fair value through profit or loss	-	-
Debt instruments measured at amortised cost:		
Trade debtors	2	17
Accrued income	-	2
	<hr/>	<hr/>
Total	2	19

The College has the following financial instruments:	2019 £000	2018 £000
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost:		
Trade creditors	42	24
Bank loans	658	814
Accruals	64	48
	<hr/>	<hr/>
Total	764	886

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
17 Notes to cash flow statement

	2019	2018
	£'000	£'000
(Deficit)/surplus after tax for the year	(77)	177
Adjustment for:		
Depreciation (note 10)	360	440
Investment income (note 5)	(3)	(8)
Interest payable (note 8)	46	72
Decrease in provisions (note 15)	(8)	(18)
Pensions costs less contributions payable (note 20)	135	144
	<hr/>	<hr/>
Operating cash flow before movements in working capital	453	807
Decrease in debtors	105	(19)
Increase in creditors	126	(507)
	<hr/>	<hr/>
Cash generated from operations	<hr/> 684	<hr/> 281

18 Capital commitments

	2019	2018
	£'000	£'000
Contracts for future capital expenditure not provided	234	337
	<hr/>	<hr/>

19 Commitments under operating leases

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

	2019	2018
	£'000	£'000
Payments due:		
Not later than one year	15	15
Later than one year and not later than five years	26	41
	<hr/>	<hr/>
Total lease payments due	<hr/> 41	<hr/> 56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
20 Retirement benefits

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pensions Scheme England and Wales (TPS) for academic and related staff; and the East Riding Pension Fund (ERPF) for non-teaching staff which is managed by East Riding of Yorkshire Council. Both are multi-employer defined-benefit plans.

Total pension cost for the year

	2019 £'000	2018 £'000
Teachers' Pension Scheme contributions paid	422	431
East Riding Pension Fund:		
Contributions paid - normal	223	197
FRS 102 (28) charge	<u>135</u>	<u>144</u>
Charge to the Statement of Comprehensive Income	358	341
Enhanced pension charge/(credits) to the Statement of Comprehensive Income	7	(3)
	<hr/>	<hr/>
Total pension cost for the year within staff costs	<u>787</u>	<u>769</u>

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 the ERPF 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

Valuation of the Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
20 Retirement benefits (continued)
Valuation of the Teachers' Pension Scheme (continued)

As a result of the valuation, new employer contributions rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The pension costs paid to TPS in the year amounted to £422,000 (2018: £431,000).

East Riding Pension Fund

The ERPF is a funded defined benefit scheme, with the assets held in separate funds administered by the local authority. The total contribution made for year ended 31 July 2019 was £281,000 (2018: £247,000) of which employers' contributions totaled £223,000 (2018: 197,000) and employees' contributions totaled £58,000 (2018: £50,000). The agreed contribution rates for future years are 22.9 % for employers and range from 5.5 % to 12.52% for employees.

Retirement and other pension benefits are paid by public funds provided by Parliament.

Principal Actuarial Assumptions

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

	At 31 July 2019	At 31 July 2018
Rate of increase in salaries (see note*)	2.2%	2.2%
Future pension increases	2.2%	2.4%
Discount rate	2.2%	2.8%
Inflation assumption (CPI)	2.5%	2.5%
Commutation of pensions to lump sums	see note **	see note **

* The salary increase assumption for 31 July 2019 is 2.2 % per annum until 31 March 2022 (31 July 2019 is 1% per annum until 31 March 2021).

** 30% for pre-April 2008 service and 65% for post-April 2008 service.

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

	At 31 July 2019	At 31 July 2018
<i>Retiring today</i>		
Males	20.8 years	21.7 years
Females	23.3 years	24.2 years
<i>Retiring in 20 years</i>		
Males	22.0 years	23.7 years
Females	24.9 years	26.4 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
20 Retirement benefits (continued)

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

	Fair value at 31 July 2019 £'000	Fair value at 31 July 2018 £'000
Equity instruments	5,052	4,683
Debt instruments	982	846
Property	772	781
Cash	211	195
	<hr/>	<hr/>
Total fair Value Plan Assets	7,017	6,505
	<hr/>	<hr/>
Actual Return in Plan Assets	367	573
	<hr/>	<hr/>

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

	2019 £'000	2018 £'000
Fair value of plan assets	7,017	6,505
Present value of plan liabilities	(7,558)	(6,762)
Present value of unfunded liabilities	(5)	(6)
	<hr/>	<hr/>
Net pensions liability	(546)	(263)
	<hr/>	<hr/>

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

	2019 £'000	2018 £'000
Current service cost	(358)	(341)
Net interest on defined benefit pension liability	(9)	(24)
	<hr/>	<hr/>
Total	(367)	(365)
	<hr/>	<hr/>
Amount recognised in Other Comprehensive Income:		
Re-measurement of net defined benefit pension liability	(139)	693
	<hr/>	<hr/>
Amount recognised in Other Comprehensive Income	(139)	693
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
20 Retirement benefits (continued)

	2019 £'000	2018 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	6,768	6,595
Current service cost	358	341
Interest cost	193	182
Contributions by scheme participants	58	50
Actuarial loss/(gain)	322	(278)
Benefits paid	(136)	(122)
Defined benefit obligations at end of period	<u>7,563</u>	<u>6,768</u>

	2019 £'000	2018 £'000
Changes in fair value of plan assets		
Fair value of plan assets at start of period	6,505	5,807
Interest income	184	158
Return on plan assets (excluding net interest on the net defined benefit liability)	183	415
Employer contributions	223	197
Contributions by scheme participants	58	50
Benefits paid	(136)	(122)
Fair value of plan assets at end of period	<u>7,017</u>	<u>6,505</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)
21 Related party transactions

Key management compensation disclosure is given in note 6.

22 Amounts disbursed as agent

	2019	2018
	£'000	£'000
Bursary funds and discretionary bursary awards		
Funding body grants	285	392
Disbursed to students	(270)	(376)
Administration costs	(11)	(13)
	<hr/>	<hr/>
Balance unspent at 31 July	4	3
	<hr/>	<hr/>

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

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

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 24 July 2017 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA"), to obtain limited assurance about whether the expenditure disbursed and income received by Wilberforce Sixth Form College during the period 1 August 2018 to 31 July 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

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

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

Responsibilities of Corporation of Wilberforce Sixth Form College for regularity

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

Reporting accountant's responsibilities for reporting on regularity

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

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

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2018 to 31 July 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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

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

Use of our report

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

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Date 9/12/2019