Knowsley Community College

St Helens College

St Helens College
Report and Financial Statements
for the year ended 31st July 2023

CONTENTS

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel

Key management personnel are defined as members of the College Senior Leadership Team and were represented by the following in 2022/23 and up until the date of this report:

Simon Pierce, Principal and Chief Executive Officer; Accounting Officer

Rav Garcha, Deputy CEO and Chief Finance Officer

Mark Doyle, Deputy Principal

Board of Governors

A full list of Governors is provided on pages 19 - 20 of these financial statements.

Gillian Hayhurst, Governance Director, acted as Clerk to the Corporation for the financial year.

Registered Office:
Water Street,
St Helens, WA10 1PP

Principal Professional advisers:

Financial statements auditors and reporting accountants:
RSM UK Audit LLP
Bluebell House, Brian Johnson Way,
Preston, Lancashire, PR2 5PE

Internal auditors (to 31 July 2023):
ICCA Education Training and Skills
11th Floor, McLaren House,
46 Priory Queensway,
Birmingham, B4 7LR

Internal auditors (from 31 July 2023):
TIAA Limited
Artillery House, Fort Fareham
Newgate Lane, Fareham,
PO14 1AH

Bankers:
Lloyds Bank
13/15 Hardshaw Street
St Helens, WA10 1QZ

Legal Advisors:
Eversheds Sutherland (International) LLP
Eversheds House, 70 Great Bridgewater Street
Manchester, M1 5ES

Strategic Report

Overview

St Helens College (the College) plays an important role in the lives of thousands of individuals and employers who choose the College for their education and training needs. The College offers a broad and deep curriculum with a strong focus on vocational and technical training provision, which is offered at well-resourced sites throughout both Knowsley and St Helens. There are particularly high participation rates in Construction, Engineering, and Health and Social Care provision, all priority growth sectors for local and sub-regional economies.

During 2022/23 the College exceeded its participation target for 16-18 year olds and was awarded additional revenue funding in-year. Apprenticeship provision also grew by over 10% and high achievement rates are expected to be maintained. However, adult learner confidence and changing economic circumstances continued to affect recruitment and retention on some programmes.

As an anchor institution for the boroughs of St Helens and Knowsley, the College continues to work very effectively with the two local authorities, the Liverpool City Region Combined Authority (LCRCA) and a broad range of other stakeholders, including employers, to ensure that the curriculum offer meets the current and future skills needs of the sub-region and contributes to the national skills agenda.

The improving financial position enabled the College to deliver a significant pay award, building upon the pay increases secured in 2021/22. Although the College was unable to achieve some of the more substantial changes planned for the estate due to the availability of funds, for example, the decant from the factory building, investment in the College estate and facilities has continued. A new Green Energy Skills Centre has been developed at the Langtree site, funded in part by the Government's Strategic Development Fund; and significant investment has been made in the equipment and resources required for T level delivery.

Legal status

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

The Corporation was incorporated as St Helens College of Arts and Technology. On 1 October 2001, the Secretary of State granted consent to the Corporation to change the College's name to St Helens College.

Following a review into the classification of Further Education Colleges for the purposes of national accounts, with effect from 29 November 2022 St Helens College is part of central government. The College continues to be a self-governed charity regulated by the Secretary of State for Education but is now subject to the framework for financial management set out in Managing Public Money.

Strategic Report **(continued)**

Mission, Vision, Strategy and Objectives

With a mission to "Transform lives through excellence and training", the College's three-year Strategic Plan sets out it's ambition to be one of the best technical and vocational colleges in the country and positions the College as a major contributor to the employment and skills ecosystem of the city region.

There are six strategic goals that provide a framework for more detailed operational activities, transforming the way the College works with students, staff, employers, and local communities:

- *Outstanding student experience*
- *Exceptional curriculum*
- *Growth*
- *Transformed estate*
- *Employer of choice*
- *Anchor institution*

Most importantly, students and apprentices remain at the heart of everything the College undertakes. From cultivating aspirational learning environments through outstanding curriculum and facilities to delivering high quality teaching and learning, the College is committed to providing them with every opportunity to excel and achieve the very best outcomes.

Developed in consultation with our teams, the College values define who we are, how we engage with our students, stakeholders, and one another and how they guide us in work:

- *Ambition*
- *Excellence*
- *Collaboration*
- *Innovation*
- *Respect*
- *Trust*
- *Care*

Public Benefit

St Helens College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 19-20.

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.

Strategic Report (continued)

In delivering its mission, the College provides identifiable public benefits through the advancement of education to approximately 7,200 students, including 150 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths course. The College adjusts its courses to meet the needs of local employers and provides training to over 900 apprentices. The College is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background.

Public Value Statement (PVS)

The College seeks to add value to the social, economic, and physical well-being of the communities that we serve by:

1. providing education and training in accordance with the College's mission, statement of aims and values which maximise the life and job prospects of the individuals and meet the needs of the employers and the communities in general;
2. raising aspirations of individuals and the communities by promoting prospects and celebrating success;
3. ensuring a broad curriculum offer with good progression routes from entry level;
4. promoting healthy lifestyles and good citizenship skills to all students and colleagues;
5. being responsive to the changing needs and circumstances;
6. actively listening to and engaging with the stakeholders of the College aiming to provide the best possible service;
7. being a respectful and responsible employer;
8. always acting with corporate integrity.

Stakeholder Relationships

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

- Our students (current, future, and past);
- Our staff;
- Education sector funding bodies;
- FE Commissioner;
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies.

The College is committed to these relationships, actively listening to stakeholders' specific needs and concerns, developing productive partnerships that address key employment and skills issues and seeking to respond in ways that improve the prosperity, health and well-being of our staff, students, and local communities.

FINANCIAL REVIEW

Financial results

The Group (including the College and its subsidiary undertaking Waterside Training) incurred a deficit before other gains and losses in the year of £2.0m (2021/22: deficit of £1.6m). The deficit before FRS102 pension adjustments and additional depreciation on donated assets was £0.4m (2021/22: surplus of £0.6m). Group income has increased to £32.4m (2021/22: £31.3m) with increases in 16 - 19 funding (£14.6m to £15.4m), Apprenticeships income (£3.0m to £3.3m), Other grant income (£0.2m to £0.5m), Catering (commercial and bursary funded) income (£0.6m to £0.8m) and Other miscellaneous income (£0.2m to £0.5m) offset by a decrease in adult education income (£4.6m to £3.7m).

Staff costs (before agency costs, restructuring costs and FRS102 pension adjustments) have increased by £1.5m (£17.2m to £18.7m) due to a pay award effective January 2023, a non-consolidated pay award in December 2022 and an increase in staffing numbers from bringing the cleaning service in-house from August 2022. Agency costs increased by £0.4m (£0.3m to £0.7m) due to staff vacancies, whilst similarly to 2021/22 there were no major restructuring costs.

Other operating expenses increased by £0.1m (£9.9m to £10.0m). Electricity costs increased by £0.9m (£0.9m to £1.8m) and high inflation resulted in most other overheads increasing by a combined £0.5m. However, subcontracting costs reduced £0.9m (£1.0m to £0.1m) as subcontractors were not utilised to carry out the under delivery in adult education, whilst there were savings of £0.5m in cleaning overheads by bring the service in-house.

Total comprehensive income was a gain of £37.4m (2021/22: gain of £32.0m). This includes recognition of a gift of £30.3m being the valuation of the Stockbridge Lane campus which is held on a long leasehold and a depreciation charge of £0.5m on this asset. There is also an actuarial gain of £9.2m (2021/22: gain of £33.6m) on revaluation of the government pension scheme, mainly as a result of an increase in the discount rate assumption from 3.5% to 5.1%.

The Group has net assets at 31 July 2023 of £52.3m (2022 as restated: net assets of £14.9m), which includes a cash balance of £4.5m (2022: £3.0m), net current liabilities of £1.0m (2022: £2.3m) and a defined benefit pension asset of £4.7m (2022: liability of £3.3m).

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the FE funding bodies provided 79% of the Group’s total income (2021/22: 82%).

The College has one subsidiary company, Waterside Training Limited, which is a specialist industrial training provider and is 89% owned by the College. In the year to 31 July 2023 its turnover was £1.6m (2021/22: £0.9m) and it made an operating gain before gift aid payments of £270k (2021/22: gain of £190k). Gift aid payments of £270k (2021/22: £190k) to the College were provided for. It has net assets of £21k at 31 July 2023 (2022: £21k).

Strategic Report (continued)

Treasury policies and objectives

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

The Group has a separate treasury management policy in place.

Following reclassification of colleges into the public sector on 29th November 2022 the College is currently restricted from entering into any new bank borrowing agreements.

The Group has no plans to increase its borrowings and is confident it can continue to pay its obligations as per the loan agreements in place prior to the reclassification of Colleges.

Cash flows and liquidity

Net cash flow from operating activities were £1.3m (2021/22: £1.4m). The earnings before interest and depreciation decreased by £0.9m (£2.1m to £1.2m) but adjusting for a £1.1m provision for funding body clawbacks (2021/22: £0.1m) resulted in a similar net cash flow to 2021/22.

Net cash for the year increased by £1.5m (2021/22: decrease of £0.3m). The increase in net cash compared to 2021/22 was due largely to £3.0m of capital grant receipts (2021/22: £nil) although capital expenditure increased from £1.3m to £2.0m and bank loan capital repayments increased from £0.1m to £0.5m.

The size of the Group'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. This was achieved during 2022/23 with the £362k of interest paid clearly exceeded by the £1.3m of operating cash flow.

FUTURE DEVELOPMENTS AND PROSPECTS

The Group has set a budget for a strong Requires Improvement health score in 2023/24 reflecting several factors including the increased number of young people enrolled in September 2022 and the higher funding rates. The budget consolidates a full year of the previous pay award with an ambition to make regular pay awards on an annual basis.

The Group also set ambitious targets for further growth in apprenticeship income and to grow the number of students on study programmes. Early indications are that some growth in 16-18 numbers will be achieved, and this should further increase Group income in 2023/24, with only marginal increases in costs. This should enable the Group to return to a financial health score of Good.

Under its Estates Master Plan, the Group continues to invest to ensure a modern and vibrant estate, with new and improved workshops and learning spaces on many campuses. The Group has secured, in partnership with other local FE Colleges, Local Skills Improvement Funding, which includes both capital and revenue strands to enable further investment in construction and manufacturing provision.

Strategic Report (continued)

Reserves

The Group has no formal Reserves Policy but recognises the importance of reserves for the financial stability of the organisation, and to ensure that there are adequate reserves to support the Group's core activities. As at the balance sheet date the Income and Expenditure reserve surplus stands at £52.3m (2022 as restated: £14.9m) which includes deferred capital grants of £36.5m (2022: £35.2m) and pension asset of £4.7m (2022: liability of £3.3m). The Group has no restricted reserves at the 31 July 2023 (2022: £nil). It is the Group's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. In 2022/23, the Group paid 56% (2021/22: 54%) of its invoices within 30 days of receipt. Group standard policy is to pay invoices by the end of the month following the date of the invoice. During 2022/23, the Group paid 99% (2021/22: 99%) of its invoices in accordance with its policy or with payment terms agreed with the supplier. The Group incurred no interest charges in respect of late payment for this year.

Events after the end of the reporting period

There are no significant post balance sheet events.

RESOURCES

The Group employed an average of 573 staff during 2022/23 of whom 267 were teaching staff.

The Group enrolled approximately 7,200 students. The student population included 2,550 16 to 19 year old students, 2,600 funded adult learners, 750 fee paying adults, 900 apprentices and 400 higher education students.

The Group has £52.3m of net assets (2022 as restated: £14.9m) including £4.7m of pension assets (2022: pension liabilities of £3.3m), £36.5m (2022: £35.2m) of deferred capital grants and long-term debt of £6.0m (2022: £6.6m). Cash held at the year-end was £4.5m (2022: £3.0m).

Tangible resources include a main campus at both St Helens town centre and in Knowsley as well as a technology centre in both locations and 4 other sites.

The Group continues to enjoy a good reputation locally and nationally. Maintaining a high-quality brand is essential for its success in attracting students and apprentices and maintaining stakeholder confidence.

In its latest Ofsted inspection in March 2023, the College was rated 'Requires Improvement' for overall effectiveness, with a rating of 'Good' for its Apprenticeships and for High Needs, both significantly improved since the last inspection in January 2020. The College is working to achieve an overall 'good' rating and can expect an Ofsted monitoring visit in the 2023/24 academic year and a full inspection before the end of 2024/25.

Strategic Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group continues to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the Group's assets and reputation. The Risk Management Framework has been subject to an internal audit assurance review with positive feedback received. Risk management is overseen by the Audit Committee.

At an operational level all risks are managed locally and reviewed by the Risk Management Group who meet regularly throughout the year. The Risk Management Group undertakes a comprehensive review of the risks to which the Group is exposed. They identify systems and procedures, including specific preventable actions and risk treatment, which minimises the impact of headwinds whilst maximising the potential of any opportunities on the Group. The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress in managing risk. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the Group.

A Corporate Risk Register is maintained and reviewed at each meeting of the Audit Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Group and the actions being taken to treat the risks. The Audit Committee further examines corporate risks through deep dives. Risk treatment and subsequent residual risk score is aligned to the corporate risk appetite agreed by the Governing Body.

Outlined below is a description of the principal risk factors that may affect the Group. These are the significant risks identified by the Risk Management Group as having the highest residual risk score.

Corporate Risk Register Extract as at 31 July 2023:

	Risk Identified	**Residual Treatment**
1	Failure to achieve 16- 18 funding targets resulting in reduced funding for future academic years	• Effective Annual Curriculum Planning Process to develop appropriate offer • Study Programme Hours optimised • MIS reporting to determine and analyse Study Programme Hours and work placement • Ensure effective segmental marketing • Improve 'study skills session' for students who already have a good Maths/English GCSE • A deep dive to understand recruitment patterns and their impact on certain curriculum areas
2	Failure to retain 16- 18 students during first 42 days resulting in reduced funding for 2023/24	• Monitor student attendance from day 1. • Redirect students more rapidly to other programmes where it has been identified that they are not on the right programme. • HOS/ Director of 16-19 will closely monitor any withdrawal requests. • Operation Entry meetings held with HOS/ Director/ Academic and Progress Managers
3	Failure to meet targets for Additional Learner Support by adequately assessing students'	• Director and curriculum manager sample checks initial assessments.

	needs, provide appropriate support and document this adequately – thereby not drawing down any funding for which we may be eligible.	• Learning support manager and curriculum manager review support documented in pro-monitor. • Included in Internal Audit Programme for 20/21. • Regular reporting via Curriculum and Quality Group • CPD training for initial assessment. • Director to specify process for initial assessment. • Change process to claim element 3 funding to meet local authority needs. • Raise staff awareness in relation to the availability of support for students/apprentices with learning difficulties and/or disabilities. • Provide training for more staff to complete learning needs assessment. • Identify staff who can provide additional support and timetable support for students
4	Failure to achieve adult funding targets resulting in clawback of Adult Education funding.	• Effective Annual Curriculum Planning Process to develop appropriate offer • Optimise delivery hours • Annual post-enrolment evaluation • Increased subcontracting forecast to deliver more adult learners by £450k • Monthly profiling of adult enrolment to ensure early intervention
5	Failure to recruit sufficient apprentices as profiled resulting in reduced income for this year and carry in funding for future years.	• Annual Curriculum Process – including scanning offer of competing providers. • Quality Improvement Plan • Analysis of Vector Data • Consultation with local • employers • Deliver strand 4 capital scheme. • Find sponsors for other capital investment. • Leads to be revisited.
6	Failure to grow the HE offer based on local skills needs resulting in further contraction of the HE provision.	• Annual Curriculum Process – including labour market and outcomes for students' information. • HE curriculum development group reviews. • Weekly review of admissions data by director and monthly reports to SLT on admission trends from October each month. • Daily reviews during clearing. • Annual post enrolment evaluation. • Reduced likelihood as HE over-recruited so assurances that targets will be achieved • Review HE offer and identify opportunities for growth to produce HE strategy.
7	Failure to deliver full cost and other commercial income targets resulting in an income deficit.	• Annual Curriculum Process – including scanning offer of competing providers • Quality Improvement Plan • Analysis of Vector Data • Consultation with local employers and other training providers. • Enrolments expected through year.

8	Failure to maximise curriculum efficiency in all areas including but not limited to contribution targets, class sizes, delivery hours and staff utilisation resulting in poor financial performance.	• Robust curriculum planning process including guidelines. • Closely monitor enrolment at the start of the year and make quick decisions about the viability of classes where enrolment numbers are low • Quickly implement any decisions to close classes and take appropriate actions to adjust staffing levels accordingly • HoS and Directors will use MIS reports on class sizes and contributions. • Regular scrutiny of staff and room utilisation
9	The College fails to achieve a Good or better outcome in the next Inspection impacting on staff workloads to address actions, recruitment and reputational damage.	• Self-assessment process embedded in all curriculum areas, monitored by peer review panels • Curriculum Area Reviews (CAR) carried out in each school across the academic year, leading to targeted improvement actions • Self-assessment report/QIP collated for whole College performance • College QIP incorporates all inspection related areas for improvement • All self-assessment activity mapped to Education Inspection Framework • Inspection-ready team in place • Inspection-ready action plan developed, and external consultants engaged to provide inspection training and challenge. • Apprenticeship progress review panels • Recovery Plan focus on quality • CPD programme focused on curriculum quality
10	The College may suffer an internal/ external cyber-attack resulting in disruption to business-as-usual position, employer and student confidence and morale, and reputational damage.	• Firewall at network perimeter – All ports blocked except ones required for college services. Gateway Anti-Virus, Anti-Spyware, Intrusion Prevention and Application Intelligence and Control • Investment in penetration testing and IT Services staff training • Mandatory staff training on cyber security • User phishing simulation testing • Emails filtered using Exchange Online Protection • Windows defender on all clients • Applocker – whitelists • Robust backup procedures
11	Failure to implement the Estates Masterplan limiting the College's ability to : • deliver on its growth ambitions • provide a competitive offer to students while having to maintain accommodation that is not fit for purpose and/or in disrepair	• Appoint an experienced firm of design consultants • Liaise with colleagues to ensure the estate is aligned to the needs of curriculum • Project Steering Group in place to oversee the implementation of the SEP • Estates Working Group in place to ensure Board member involvement and ownership • Focus meetings with key stakeholders including Heads of School and local Councils • Key Executive oversight and regular reporting to Executive • Alignment with St Helens Council Masterplan which is currently being completed.

12	Failure to recruit, develop, engage and retain suitably skilled and motivated staff impacting on the student experience, performance outcomes and wider College effectiveness and efficiency.	• Monitoring of competitive employment opportunities and remuneration packages. • Succession planning strengthened as part of new leadership and • management training programme. Salary benchmarking • undertaken against sector rates. • Robust induction programme and mentoring arrangements are in place • Remuneration and promotion procedures • A range of alternative recruitment strategies in specialist areas • Ensuring that all delivery staff are appropriately qualified, • e.g. teaching qualifications. • Managers to ensure staff attend CPD • Vacancies are all sanctioned by Senior Leadership Team • Regular HR update report for SLT and Governors • Mental health strategy • Development of market supplement payments • The college needs to return to making annual cost of living pay increases as soon as possible • Pay Review paper submitted to the Executive • Market supplement payments in place for difficult to fill vacancies • Individual pay adjusted depending on the impact of operational effectiveness.
13	Escalating energy costs limiting growth and investment	• Identify energy reduction measures as a means of lowering spend • Consider closing buildings during half- term • Continue dialogue with our energy brokers as a means of securing medium term contracts • Engage with other Colleges via the AoC to lobby the DfE for additional support • Consider alternative energy generation, for example, solar and wind power • Review all variable non pay expenditure with a view to generating savings • Review all staffing costs and re-consider the appointment of any vacant posts • Introduce/implement the Colleges Sustainability Policy, which should outline plans to meet the UK government legislation to achieve net zero emissions on all Green House Gas emissions by 2050 under the 2008 Climate Change Act
14	Senior Post Holder absence impacting on the College's ability to deliver its operational plan objectives and increased workload pressure on other staff members	• Ensure policies and procedures have appropriate contingencies in place to ensure that critical tasks may be completed by other staff members in the event of absence • Maintain written processes with centralised access • Prioritise operational plan actions to ensure delivery of fundamental objectives • Maintain a log of compliance areas for monitoring and action

		• Consider the use of interim appointments to cover any period of absence • Develop leadership and succession planning opportunities among existing staff members
15	Failure to meet target attendance levels for 16-18s impacting on retention and achievement rates	• Expectation setting, early communication and reinforcement of standards/expectations. • PowerBI to monitor attendance patterns • Reintroduced at risk monitoring for young people • Appointed a 1.0FTE Attendance Officer • Academic Progress and Development Managers meeting with Heads of School monthly • Reviewing the Attendance Policy for the next academic year •
16	Failure to ensure full year retention of students impacting on achievement levels and progressions	• Expectation setting, early communication and reinforcement of standards/expectations. • PowerBI to monitor the profile of each student • All withdrawals scrutinised and actioned by Directors • Progress Coaches focus on re-engagement with 16-18 students • Parent meetings • Heads of School meeting with senior curriculum leaders to review achievement forecasting to target those most at risk • Reintroduced at risk monitoring for young people • Appointed a 1.0FTE Attendance Officer • Academic Progress and Development Managers meeting with Heads of School monthly
17	Failure to meet target 16-18 and adults pass rate levels impacting on future recruitment.	• PowerBI to monitor the profile of each student • All withdrawals scrutinized and actioned by Directors • Progress Coaches focus on re-engagement with 16-18 students • Parent meetings • Revision sessions • Utilise small group tuition funding • Heads of School meeting with senior curriculum leaders to review achievement forecasting to target those most at risk • Catch up sessions during College holidays

Strategic Report (continued)

Streamlined Energy and Carbon Reporting

In July 2023, the Corporation approved its Environmental Sustainability Strategy. The Group is committed to reducing its carbon emissions and has taken the following measures to improve energy efficiency:

- Remove and replace old inefficient equipment and modernize buildings infrastructure;
- Installed building management systems to control environments, operate lighting and have converted 70% of all lighting to low energy LED;
- Reduce the use of paper by promoting the use of email, VLE, intranet and other technology as far as practicable, alongside double sided and black/white printing and copying where the use of print is unavoidable;
- Promote better waste management through reducing, reusing and recycling wherever possible, and implementing safe and ethical disposal procedures;
- Ensure compliance with any legal requirements concerning the environment, and work towards meeting targets of government initiatives for a sustainable environment.

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

UK Greenhouse gas emissions and energy use data for the period	**1 August 2022 to 31 July 2023**	**1 August 2021 to 31 July 2022**
Energy consumption used to calculate emissions (kWh)		
Gas	357,529	282,713
Electricity	4,351,034	3,970,692
Transport Fuel	39,696	30,098
Consumption increased in 2022-23 as the previous year was impacted by Covid-19 lockdowns		
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	65.26	51.78
Owned transport	9.55	7.11
Total	74.81	58.89
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	841.40	843.10
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	25.23	15.67
Total gross emissions in metric tonnes CO2e	**941.44**	**917.66**
Offsets		
Market based power (electricity)	841.40	843.10
Total net emissions in metric tonnes CO2e	**100.04**	**74.56**
Intensity ratio		
FTE Staff	480	455
Metric tonnes CO2e per member of staff	0.22474	0.16380

Strategic Report (continued)

Qualification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

KEY PERFORMANCE INDICATORS

The Group's key performance indicators, targets and results are set out below.

Key Performance Indicator	Target for 2023/24 per Budget	Actual 2022/23	Target for 2022/23 per Budget	Actual for 2021/22
ESFA Financial Health Check	Requires Improvement	Requires Improvement	Requires Improvement	Good
Bank Covenant Measures	All achieved	All achieved	All achieved	All achieved
EBITDA/Income %	5.1%	3.9%	6.8%	7.3%
Staff Costs/Income %[1,2]	66.1%	64.5%	65.9%	63.0%
Average Class Size	15.2	14.9	16.0	14.3

[1]includes sub-contractor costs but excludes employer pension revaluation costs.
[2]In 2022/23 the cleaners have been brought in-house whereas previously outsourced.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Group carefully managed its cash during 2022/23, which saw a significant increase in utility costs whilst other overheads were impacted by the high inflation rate.

Cash flow forecasts have been prepared for the period through to July 2025, both on a conservative and pessimistic basis, incorporating potential risks to funding income, other income streams and costs. These forecasts indicate that even at cash low points the Group will continue to have sufficient cash to be able to continue to trade.

16-19 student numbers increased by over 200 in 2022/23, which together with a rise in per student funding has led to a significant increase in 16 -19 income in 2023/24. In addition, apprenticeship income is forecast to continue to grow and together these gains in income will allow the Group to invest in its staff whilst maintaining its cash reserves. Capital grants received during the 2022/23 year will allow the Group to replace old capital equipment and modernize the teaching facilities.

Therefore, the Corporation, based on a review of the cash forecasts prepared, is confident the Group will be able to continue to trade, and that there will be no breaches of the Bank's covenants.

EQUALITY AND DIVERSITY

Equality

St Helens College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions that place people at a disadvantage, and we will actively combat discrimination. The Group's Equality and Diversity Policy is published on the College's Intranet and external website.

St Helens College undertakes to publish an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. Equality impact assessments are undertaken as and when required.

The Group 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 Group continues and that opportunities for training, career development and promotion are identical opportunities to those of non-disabled employees.

Disability statement

St Helens Group seeks to achieve the objectives set down in the Equality Act 2010:

a) The College is accessible to students and staff with a disability. The Group regularly reviews the accessibility of its estates to disabled students and staff.

b) Advice and support are available to all potential students prior to enrolment and throughout their programme. The Group will identify individual learning needs on the application form, at interview, through the enrolment process and throughout their time at the Group.

c) The Group will provide specialist equipment, as appropriate and reasonable, for use by students and staff dependent upon the nature of their disabilities.

d) The Group has a complaints policy and procedure for any students to make a formal complaint if they believe they have not been treated fairly at any time during the admissions process or whilst studying at the College.

e) The Group has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can 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.

f) Specialist programmes are described in college prospectuses, and achievements and destinations are recorded and published in the standard college format.

g) Counselling, welfare, health, wellbeing and safeguarding services are available to all students and staff within the Group.

h) Careers advisors are available to provide information and guidance on the range of programmes available to students with disabilities and/or learning difficulties and next step opportunities.

Gender Pay Gap Reporting

	Year ending 31 March 2022
Mean gender pay gap	34.1%
Median gender pay gap	18.4%
Mean bonus gender pay gap	N/A
Median gender bonus gap	N/A
Proportion of males/females receiving a bonus	N/A

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	27.3%	72.7%
2 – Lower middle quartile	32.2%	67.8%
3 – Upper middle quartile	46.8%	53.2%
4 – Upper quartile	58.4%	41.6%

The College publishes its annual gender pay gap report on its website. The latest report was to 31 March 2022.

Strategic Report (continued)

Trade union facility time

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

Numbers of employees who were union officials during the relevant period	FTE employee number
5	4.0

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

Total cost of facility time	£6.6k
Total pay bill	£20,458k
Percentage of total bill spent on facility time	0.03%

Time spent on paid trade union activities as a percentage of total paid facility time	100%

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 Group'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 Group's auditors are aware of that information.

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:

…………………………………….

Philip Han

Chair

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
iii. having due regard to the UK Corporate Governance Code 2020 insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance. The Corporation has assessed the College as compliant with its adopted code of governance with one exception. The Governing Board has resolved to extend the term of office for two governors, which is within its powers under the governance framework. This decision was taken in order to reduce the risk of a loss of particular skills and knowledge within the cohort while recruitment and induction of new governors is undertaken.

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

In the opinion of the Governors, the College complies with the provisions of the Code, and it has complied throughout the year ended 31 July 2023. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which was adopted by the merged college on the 17 May 2018. The Governing Board adopted the 2020 version of The Code with effect from 1 August 2022.

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 listed in the table below.

Governors	Date of appointment	Term of office	Date of resignation	Status	Committees served	Governing Board Attendance
Bill Nixon (Chair until 29 September 2023)	14-Jul-21	4 Years	29-Sep-23	External Governor	Curriculum and Quality Committee Search and Governance Committee Performance and Remuneration Committee	8/8
David Balsamo	07-Feb-20	4 Years	-	External Governor	Curriculum and Quality Committee Finance, Resources and Commercial Committee	5/8
Ben Bennett-Stanley	12-Feb-16	8 Years	14-Sep-22	Staff Governor	Curriculum and Quality Committee	0/0
Debbie Calderbank	19-Jun-19	4 Years	1-May-23	External Governor	Audit Committee	2/4
Alison Cannon	18-Jan-18	8 Years	-	External Governor	Audit Committee Performance and Remuneration Committee Search and Governance Committee	7/8
Zulakha Desai	25-Mar-21	4 Years	-	External Governor	Curriculum and Quality Committee	6/8
Liz Duncan	21-May-20	4 Years	-	External Governor	Curriculum and Quality Committee	6/8
Philip Han (Chair from 29 September 2023)	18-Jan-18	8 Years	-	External Governor	Finance, Resources and Commercial Committee	7/8

Julie Heap	14-Jul-14	8 Years	8-Dec-22	Staff Governor	Curriculum and Quality Committee	1/3
John Heritage	28-Mar-19	4 Years	-	External Governor	Audit Committee	6/8
Adam Humphreys	18-Oct-22	1 Year	31-Jul-23	Student Governor		5/6
Andrew Lang	25-Mar-21	4 Years	-	External Governor	Audit Committee	7/8
Kellie McCann	18-Oct-22	1 Year	31-Jul-23	Student Governor		4/6
Jen McGill	10-Nov-22	4 Years	-	Staff Governor		6/6
Alun Owen	25-Mar-21	4 Years	-	External Governor	Finance, Resources and Commercial Committee Curriculum and Quality Committee	8/8
Jim Pinsent	08-Oct-15	8 Years	-	External Governor	Finance, Resources and Commercial Committee Search and Governance Committee Performance and Remuneration Committee	6/8
Nick Shore	23-Jan-13	9 Years	31 July 2023	External Governor	Finance, Resources and Commercial Committee Performance and Remuneration Committee Curriculum and Quality Committee	6/8
Tracey Turner	10-Nov-22	4 Years	-	Staff Governor		8/8

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

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance, Resources and Commercial, Curriculum and Quality, Performance & Remuneration, Search & Governance, and Audit. Full minutes of Corporation meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.sthelens.ac.uk or from the Governance Director at:

St Helens College
Water Street
St Helens
WA10 1PP

The Governance Director 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 Governance Director, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Governance Director are matters for the Corporation as a whole.

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

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

There is a clear division of responsibility in that the roles of the Chairman 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 and Governance Committee, consisting of three members of the Corporation and the Principal who is also a Governor, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years with the option to extend this for a further term of four years subject to Governing Board approval. In exceptional circumstances this may be extended by a further year.

Corporation performance

The College has completed an internal self-assessment of its performance for the year ending 31 July 2023 and graded itself as 'Requires Improvement' on the Ofsted scale (to be validated by the Governing Board on 14 December 2023). A detailed post-inspection action plan was developed following the inspection in March 2023, setting out the key initiatives and interventions required to rapidly accelerate improvement. The action plan will be updated following the completion of the self-assessment process.

Governors have completed mandatory training in Safeguarding and Prevent, Equality and Diversity, GDPR and data protection, cybersecurity and health and safety at work. Additionally, all governors received bespoke training from the College's Designated Safeguarding Lead on changes to Keeping Children Safe in Education. The Governance Director and board are enrolled on the Education Training Foundation's Governance Development Programme. Governors also undertake continuing professional development outside of their role for the College. This includes enhanced safeguarding and Prevent training and Mental Health First Aid.

The Corporation commissioned an external assessment of its governance arrangements in line with Department for Education requirements. The review was undertaken by Ron Hill at Stone King LLP between May and October 2022. The review recognised that the governance of St Helens College is committed, capable and offers considerable potential for future practice. The review acknowledged that the Governing Board has embarked on a range of improvements and seeks to complement this progress with further advice and suggestions to achieve greater influence and impact for the benefit of teaching, learning and student welfare at St Helens College. The Governing Board considered the external review report and approved an action plan. All actions are due to be completed by December 2023.

Remuneration Committee

Throughout the year ending 31 July 2023 the College's Performance and Remuneration Committee comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel. The Corporation adopted The Association of College's Senior Postholder Remuneration Code in May 2019 and complies with the minimum requirements of this.

Details of remuneration for the year ended 31 July 2023 are set out in note 9 to the financial statements.

Audit Committee

During the financial year, the Audit Committee comprised of three members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

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

The Audit Committee met 4 times during the year to 31 July 2023. The committee and their attendance records are as follows:

Committee Member	**Meetings Attended**
Debbie Calderbank	1 of 1
Alison Cannon	3 of 4
John Heritage	3 of 4
Andrew Lang	4 of 4

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the 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 the Principal is personally responsible, in accordance with the responsibilities assigned to the Principal in the Financial Memorandum between St Helens College and the funding bodies and the OfS registration conditions. The Principal is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Helens College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls and arrangements for compliance with legal and regularity matters including those relating to the regularity and propriety of the use of public funding, 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 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

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

Risks faced by the corporation

A description of how the College identifies, evaluates and manages risk is set out in the Strategic Report on pages 8 -12 followed by a table of the major risks identified and how they are managed.

Control weaknesses identified

The internal auditors in their annual report to the Audit Committee have stated ‘No significant control issues were identified in 2022/23 as a result of our work undertaken’.

Responsibilities under funding agreements

The Corporation keeps under review compliance with ESFA, and other devolved authority grant funding agreements and contracts, particularly ensuring that funding is used for the purposes given or generated. The Corporation ensures that the college makes key returns to the ESFA accurately and on time.

Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

The specific areas of work undertaken by the audit committee in 2022/23 and up to the date of the approval of the financial statements are:

- IT Data Security, Infrastructure and Disaster Recovery – substantial assurance.
- Management Accounts – substantial assurance.
- Marketing – substantial assurance.
- Examinations – substantial assurance.
- Procurement – limited assurance.
- Student Voice – substantial assurance.

The internal auditors also completed one advisory assignment, resulting in the production of a formal report:

- ESFA External Assurance of Sub-contracting controls

In addition to the work of the internal auditors, Mazars (working on behalf of the ESFA) undertook a funding assurance review for the previous funding year in January 2023. The review reached a satisfactory conclusion on the use of funds for:

- Carry-in apprenticeships and adult education budget provision
- Apprenticeships
- 16-19 study programme

No instances were found where sub-contracting arrangements do not comply with funding rules, nor where the College has not complied with specific ESF match funding requirements.

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

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

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. See accounting policy section, page 39, for further detail.

Approved by order of the members of the Corporation on the 14 December 2023 and signed on its behalf by:

…………………………………	…………………………………
Philip Han	**Simon Pierce**
Chair of Governors	**Principal and Accounting Officer**

Governing Body’s statement on the College’s regularity, propriety and compliance

As accounting officer, I confirm that the corporation has had due regard to the requirements of grant funding agreements and contracts with ESFA and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding. I confirm, on behalf of the Corporation, that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation , or material non-compliance with the terms and conditions of funding under the Corporation’s grant funding agreements and contracts with the ESFA or any other public funder. This includes the elements outlined in the “Dear accounting officer” letter of 29 November 2022 and ESFA’s bite size guides.

I 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

S Pierce

…………………………………….

Simon Pierce

Principal and Accounting Officer

Date: 14 December 2023

Statement of the chair of governors.

On behalf of the corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.

…………………………………….

Philip Han

Chair of Governors

Date: 14 December 2023

Statement of Responsibilities of the Members of the Corporation

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

The law applicable to charities in England and the terms and conditions of the Corporation's grant funding agreement and contracts with Education and Skills Funding Agency (ESFA) and any other relevant funding bodies, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the College for that period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction, Accounts Direction issued by the Office for Students and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards.

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

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

The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

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

Statement of Responsibilities of the Members of the Corporation (continued)

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities following the reclassification of college corporations on 29 November 2022. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk. They are also responsible for ensuring funds from Office for Students or other sources are properly applied for the purposes for which they have been given and in accordance with relevant legislation or terms and conditions attached to them.

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:

P J Han

………………………………….

Philip Han

Chair

Independent auditor's report to the Governing Body of St Helens College

Opinion

We have audited the financial statements of St Helens College (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2023 which comprise the consolidated statements of comprehensive income and expenditure, the consolidated and college balance sheets, the consolidated and college statements of changes in reserves, the consolidated and college statements of cash flows and notes to the financial statements, including 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) and the Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 31 July 2023 and of the Group's and College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent auditor's report to the Governing Body of St Helens College
(continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

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

- the College's grant and fee income, as disclosed in the note 3, 4 and 5 to the accounts, has been materially misstated.
- The College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Corporation of St Helens College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 28, 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.

Independent auditor's report to the Governing Body of St Helens College
(continued)

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and College operate in and how the Group and College are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent auditor's report to the Governing Body of St Helens College
(continued)

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency and Regulatory Advice 9: Accounts Direction published by the Office for Students'. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group and college is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and inspecting funding agreements and allocations.

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 19 November 2021. 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
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date: 15/12/23

St Helens College

Consolidated Statements of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Group	**College**	**Group**	**College**
		£'000	**£'000**	**£'000**	**£'000**
INCOME					
Funding body grants	3	25,650	25,650	25,554	25,554
Tuition fees and education contracts	4	3,284	3,267	3,438	3,426
Other grants and contracts	5	766	766	451	450
Other income	6	2,578	2,412	1,851	1,725
Investment income	7	117	117	5	5
Total income		**32,395**	**32,212**	**31,299**	**31,160**
EXPENDITURE					
Staff costs	9	20,412	19,451	19,165	18,776
Fundamental restructure costs	9	46	46	12	12
Other operating expenses	10	9,969	10,748	9,944	10,194
Depreciation	13	3,470	3,469	2,849	2,849
Interest and other finance costs	11	469	469	941	941
Total expenditure		**34,366**	**34,183**	**32,911**	**32,772**
Deficit before other gains and losses		**(1,971)**	**(1,971)**	**(1,612)**	**(1,612)**
Profit/(Loss) on disposal of fixed assets		(106)	(106)	-	-
Donation of asset		30,310	30,310	-	-
Surplus / (Deficit) before tax		**28,233**	**28,233**	**(1,612)**	**(1,612)**
Taxation	12	-	-	-	-
Surplus/(Deficit) for the year		**28,233**	**28,233**	**(1,612)**	**(1,612)**
Actuarial gain in respect of pension schemes	25	9,163	9,163	33,573	33,573
Total Comprehensive income for the year		**37,396**	**37,396**	**31,961**	**31,961**

Deficit before other gains and losses		**(1,971)**	**(1,971)**	**(1,612)**	**(1,612)**
Defined Benefit Obligation FRS102 (LGPS)	25	1,015	1,015	1,709	1,709
Depreciation on Donated Assets		497	497	-	-
Interest Charge FRS102 (LGPS)	25	107	107	549	549
Adjusted Operating (Deficit)/Surplus		**(352)**	**(352)**	**646**	**646**

All Comprehensive Income is Unrestricted.
All items of income and expenditure relate to continuing activities.

St Helens College

Balance sheets as at 31st July 2023

	Notes	Group	College	Group as restated	College as restated
		2023	2023	2022	2022
		£'000	£'000	£'000	£'000
Non-current assets					
Tangible Fixed assets	13	89,313	89,283	60,576	60,576
Investments	14	-	100	-	100
		89,313	**89,383**	**60,576**	**60,676**
Current assets					
Stocks		46	46	32	32
Trade and other receivables	15	2,706	2,922	1,805	1,972
Cash and cash equivalents	20	4,508	4,234	2,977	2,547
		7,260	**7,202**	**4,814**	**4,551**
Less: Creditors – amounts falling due within one year	16	(8,273)	(8,205)	(7,076)	(6,833)
Net current liabilities		**(1,013)**	**(1,003)**	**(2,262)**	**(2,282)**
Total assets less current liabilities		**88,300**	**88,380**	**58,314**	**58,394**
Creditors – amounts falling due after more than one year	17	(40,688)	(40,688)	(40,057)	(40,057)
Provisions					
Defined benefit obligations	19	4,725	4,725	(3,316)	(3,316)
Total net assets		**52,337**	**52,417**	**14,941**	**15,021**
Unrestricted Reserves					
Income and expenditure account		52,337	52,417	14,941	15,021
Total reserves		**52,337**	**52,417**	**14,941**	**15,021**

The financial statements on pages 34 to 65 were approved and authorised for issue by the Corporation on 14 December 2023 and were signed on its behalf by:

P J Han ....

Philip Han

Chair

S Pierce ....

Simon Pierce

Principal / Accounting Officer

St Helens College

Consolidated and College Statements of Changes in Reserves

	Income and expenditure account	Restricted reserves	Total
	£'000	£'000	£'000
Group			
Balance at 1st August 2021 as restated	(17,020)	-	(17,020)
Deficit from the income and expenditure account	(1,612)	-	(1,612)
Other comprehensive income	33,573	-	33,573
Total comprehensive income for the year	31,961	-	31,961
Balance at 31st July 2022 as restated	14,941	-	14,941
Surplus from the income and expenditure account	28,233	-	28,233
Other comprehensive income	9,163	-	9,163
Total comprehensive income for the year	37,396	-	37,396
Balance at 31st July 2023	52,337	-	52,337
College			
Balance at 1st August 2021 as restated	(16,940)	-	(16,940)
Deficit from the income and expenditure account	(1,612)	-	(1,612)
Other comprehensive income	33,573	-	33,573
Total comprehensive income for the year	31,961	-	31,961
Balance at 31st July 2022 as restated	15,021	-	15,021
Surplus from the income and expenditure account	28,233	-	28,233
Other comprehensive income	9,163	-	9,163
Total comprehensive income for the year	37,396	-	37,396
Balance at 31st July 2023	52,417	-	52,417

St Helens College

Consolidated Statement of Cash Flows

	Notes	2023	2022
		£'000	£'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		28,233	(1,612)
Adjustment for non-cash items			
Depreciation	13	3,470	2,849
(Profit)/Loss on Sale of Fixed Assets		106	-
Donation		(30,310)	-
Release of Government capital grants		(1,662)	(1,737)
(Increase)/decrease in stocks		(14)	12
(Increase) in debtors	15	(899)	(76)
Increase/(decrease) in creditors due within one year	16	983	(646)
(Decrease) in creditors due after more than one year	17	-	(19)
Pensions costs less contributions payable	25	1,122	2,258
Adjustment for investing or financing activities			
Investment income	7	(117)	(5)
Interest payable	11	362	392
Net cash flow from operating activities		**1,274**	**1,416**
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Capital grants received		2,979	26
Investment income	7	117	5
Payments made to acquire fixed assets	13	(1,956)	(1,301)
		1,140	**(1,270)**
Cash flows from financing activities			
Interest paid	11	(362)	(392)
Repayments of amounts borrowed	17	(521)	(80)
		(883)	**(472)**
Increase/(decrease) in cash and cash equivalents in the year		**1,531**	**(326)**
Cash and cash equivalents at beginning of the year	20	2,977	3,303
Cash and cash equivalents at end of the year	20	4,508	2,977

St Helens College

College Statement of Cash Flows

	Notes	2023	2022
		£'000	£'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		28,233	(1,612)
Adjustment for non-cash items			
Depreciation	13	3,469	2,849
(Profit)/loss on sale of fixed assets		106	-
Donation		30,310	-
Release of Government capital grants		(1,662)	(1,737)
(Increase)/decrease in stocks		(14)	12
(Increase) in debtors	15	(951)	(84)
Increase/(decrease) in creditors due within one year	16	1,161	(643)
(Decrease) in creditors due after more than one year	17	-	(19)
Pensions costs less contributions payable	25	1,122	2,258
Write off of investment in subsidiary company		-	41
Adjustment for investing or financing activities			
Investment income	7	(117)	(5)
Interest payable	11	362	392
Net cash flow from operating activities		**1,399**	**1,452**
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Capital grants received		2,979	26
Investment income	7	117	5
Payments made to acquire fixed assets	13	(1,925)	(1,301)
		1,171	**(1,270)**
Cash flows from financing activities			
Interest paid	11	(362)	(392)
Repayments of amounts borrowed	17	(521)	(80)
		(883)	**(472)**
Increase/(decrease) in cash and cash equivalents in the year		**1,687**	**(290)**
Cash and cash equivalents at beginning of the year	20	2,547	2,837
Cash and cash equivalents at end of the year	20	4,234	2,547

St Helens College

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

St Helens College is a Corporation established under the Further Education and Higher Education Act 1992 as an English general College of Further Education. The address including the principal place of business is set out on page 1. The nature of operations is set out in the Strategic Report.

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

Basis of preparation

These financial statements have been prepared in accordance with the College Accounts Direction for 2022 to 2023, the Supplementary Bulletin to the College Accounts Direction for 2022-23, the Post-16 Audit Code of Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), and regulatory advice 9: Accounts Direction issued by the Office For Students, and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention. Monetary amounts are rounded to the nearest whole £1,000 unless otherwise stated. The consolidated financial statements are presented in sterling which is also the functional currency of the College.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Waterside Training Limited (the Group). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2023.

Going concern

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

1. Statement of accounting policies and estimation techniques continued

The financial statements are prepared on a going concern basis. The Group has reported Total Comprehensive Income of £37,396k for the year to 31 July 2023 (2022: £31,961k); an increase in cash of £1,531k (2022: a decrease in cash of £326k) and at 31 July 2023 had net assets of £52,337k (2022 as restated: £14,941k).

The net assets figure of £52,337k includes an estimated surplus asset of £4,725k arising from the Group's membership of the Merseyside Local Government Superannuation Scheme and a liability of £36,468k in Government Capital Grants.

Then Group has net current liabilities of £1.0m at 31 July 2023 but this includes £1.8m of deferred capital grants and thus working capital is £0.8m.

The Group currently has £6,562k of loans outstanding with bankers on 25-year loan agreements on terms negotiated in 2007.

The Group has prepared cash flow forecasts through to 31 July 2025 on a conservative basis and by applying various sensitivities. These forecasts indicate that the Group will be able to continue to trade for the foreseeable future and that it will be able to operate within its existing bank covenants.

Accordingly, the Governors believe it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements.

Recognition of income

Revenue Grant Funding

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

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

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

Capital Grant Funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. The deferred income is allocated between creditors due within one year and those due after more than one year. Other capital grants are recognised in income when the Group is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

1. Statement of accounting policies and estimation techniques continued

Fee Income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period to which it is attributable with any fees not received disclosed as accrued income and any fees received in advance disclosed as deferred income in the balance sheet.

Investment Income

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme, and the Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Merseyside Local Government Pension Scheme (LGPS)

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

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

The FRS 102 valuation of the LGPS pension scheme gives rise to a surplus recognised in the Balance sheet of £4.7m. The actual surplus of the LGPS scheme (based on its actual combination of assets and liabilities) at 31st March 2022 is £7.6m with the scheme being 108.6% funded.

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

1. Statement of accounting policies and estimation techniques continued

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 Group. Any unused benefits are accrued and measured as the additional amount the Group expects to pay as a result of the unused entitlement.

Enhanced Pensions

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

Tangible fixed assets

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

Land and buildings

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

- Buildings – 50 years
- Major Refurbishments – 20 years
- Minor Refurbishments – 10 years

Freehold land is not depreciated.

Long leasehold buildings are depreciated over 25 or 50 years and short leasehold building over the length of the lease.

Freehold buildings are depreciated over their expected useful economic life to the Group of 50 years. The Group has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 20 years, and minor adaptions over 10 years.

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

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

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

1. Statement of accounting policies and estimation techniques continued

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the Group, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing more than £2,000 per individual item (or with combined value of £10,000 or more for a group of similar items with individual values less than £2,000) are capitalised at cost.

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

- technical equipment 4 years
- motor vehicles 4 years
- computer equipment 2 - 4 years
- furniture, fixtures and fittings 4 years

Impairment 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 is 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

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

1. Statement of accounting policies and estimation techniques continued

Investments

Investments in subsidiaries

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

Investments in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment are recognised immediately in comprehensive income.

Inventories

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

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 2% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The College's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

1. Statement of accounting policies and estimation techniques continued

Provisions and contingent liabilities

Provisions are recognised when

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

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

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

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

Agency arrangements

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

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

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

Critical accounting estimates and assumptions

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

1. Statement of accounting policies and estimation techniques continued

In August 2022 a 125 year lease at a peppercorn rent for a site at Stockbridge lane, Knowsley was entered into. A valuation on a depreciated replacement cost basis was carried out which gave a cost for the site of £30.3m. The asset has been recorded as the donation of a gift at £30.3m and the asset included within fixed assets. The buildings element of the valuation is being depreciated over 50 years giving an annual depreciation cost of £497k.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension obligation. Furthermore, a roll forward approach which projects results from the actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation or asset at 31 July 2023. 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.

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

- *Impairment of fixed assets*

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

2 Prior period adjustment

It has been identified that as a result of changes made to the FA register in 2008/09 accumulated depreciation was not appropriately reallocated to individual assets and therefore asset disposals in 2012/13 did not reflect the correct value for accumulated depreciation which was understated by £2.1m with a consequential impact of the understatement of the results for the period and the income and expenditure account.

A prior period adjustment has been processed to add back the depreciation not accounted for on disposal in 2012/13. This result in an increase of £2.1m in the net book value of the fixed assets and a corresponding increase in the income and expenditure account.

2. Prior period adjustment continued

Changes to the statement of financial position

Group	**As previously Reported**	**Adjustment**	**As at 31 July 2022**
Fixed assets	**£'000**	**£'000**	**£'000**
Depreciation	37,290	(2,098)	35,192
Net book value	58,478	2,098	60,576
Net assets	12,843	2,098	14,941
Reserves			
Income and expenditure account	12,843	2,098	14,941
College			
Fixed assets			
Depreciation	37,290	(2,098)	35,192
Net book value	58,478	2,098	60,576
Net assets	12,923	2,098	15,021
Reserves			
Income and expenditure account	12,923	2,098	15,021

3 Funding body grants	**Year ended 31 July 2023 Group**	**2023 College**	**Year ended 31 July 2022 Group**	**2022 College**
	£'000	**£'000**	**£'000**	**£'000**
Recurrent grants				
Education & Skills Funding Agency – Adults	197	197	626	626
Education & Skills Funding Agency – 16-19	15,398	15,398	14,640	14,640
Education & Skills Funding Agency - Apprenticeships	3,250	3,250	2,950	2,950
Devolved Authority - Adults	3,497	3,497	3,986	3,986
Local Authority – 16-18 High Needs	174	174	203	203
Office for Students	322	322	225	225
Specific grants				
ESFA – 16-19 Tuition Fund	447	447	500	500
National Skills Funding	81	81	86	86
Covid-19 Mass Testing Funding	-	-	73	73
Teacher Pension Scheme Contribution Grant	731	731	654	654
Free School Meals	146	146	151	151
Office for Students capital grants	31	31	26	26
Releases of government capital grants	1,376	1,376	1,434	1,434
Total	**25,650**	**25,650**	**25,554**	**25,554**

4 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult education fees	354	354	375	375
Apprenticeship fees and contracts	128	128	126	126
Fees for FE loan supported courses	672	672	770	770
Fees for HE courses	2,130	2,113	2,167	2,155
Total tuition fees	3,284	3,267	3,438	3,426
Education contracts	-	-	-	-
Total	**3,284**	**3,267**	**3,438**	**3,426**

5 Other grants and contracts

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Local Enterprise Partnership Grants	-	-	-	-
Other grant income	510	510	173	173
Release of non-government capital grants	256	256	277	277
Coronavirus Job Retention Scheme grant	-	-	1	-
Total	**766**	**766**	**451**	**450**

6 Other income

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	789	789	553	553
Other income generating activities	1,279	908	1,112	751
Miscellaneous income	510	715	186	421
Total	**2,578**	**2,412**	**1,851**	**1,725**

7 Investment income

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	117	117	5	5
Total	**117**	**117**	**5**	**5**

8 Analysis of Grant and Fee Income for Office for Students

	2023 £'000	2022 £'000
Grant income from the Office for Students	353	251
Grant income from other bodies	25,297	25,303
Fee income from taught awards (exclusive of VAT)	2,130	2,167
Fee income for research awards (inclusive of VAT)	-	-
Fee income for non-qualifying courses	1,154	1,271
Total	**28,934**	**28,992**

9 Staff costs – Group and College

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

	Group 2023 No.	College 2023 No.	Group 2022 No.	College 2022 No.
Teaching staff	267	267	268	268
Non-teaching staff	306	235	244	234
	573	**502**	**512**	**502**

Staff costs for the above persons

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Wages and salaries	14,828	14,096	13,480	13,257
Social security costs	1,325	1,298	1,208	1,191
Other pension costs	3,257	3,248	3,944	3,936
Other employee costs	312	299	244	231
Payroll sub total	**19,722**	**18,941**	**18,876**	**18,615**
Contracted out staffing services	690	510	289	161
	20,412	**19,451**	**19,165**	**18,776**
Fundamental restructuring costs – Contractual	46	46	12	12
Total Staff costs	**20,458**	**19,497**	**19,177**	**18,788**

The number of staff to whom the restructuring costs relate in 2022/23 was 12 (2021/22: 6)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the College and are represented by the senior post holders of the College, which comprises the Chief Executive Officer, Chief Financial Officer, and the Deputy Principal.

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

9. Staff costs – Group and College continued

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

	2023	**2022**
	No.	**No.**
The number of key management personnel including the Accounting Officer was:	**3**	**3**

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

	Key management personnel		**Other staff**	
	2023	**2022**	**2023**	**2022**
	No.	**No.**	**No.**	**No.**
£60,001 to £65,000	-	-	-	-
£65,001 to £70,000	-	-	-	2
£70,001 to £75,000	-	-	3	1
£95,001 to £100,000	1	1	-	-
£115,001 to £120,000	-	1	-	-
£125,001 to £130,000	1	-	-	-
£135,001 to £140,000	1	1	-	-
	3	**3**	**3**	**3**

Key management personnel emoluments are made up as follows:

	2023	**2022**
	£'000	**£'000**
Salaries	361	348
Employer's National Insurance	46	46
Benefits in kind	2	3
	409	**397**
Pension contributions – regular	79	76
Total emoluments	**488**	**473**

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

9. Staff costs – Group and College continued

The above emoluments include amounts payable to the Principal and Chief Executive who is the Accounting Officer. His pay and remuneration is as follows:

	2023	2022
	£'000	£'000
Salaries	137	135
Benefits in kind	2	2
Pension contributions	33	32
	172	**169**

The Accounting officer was the highest paid officer in 2022/23 and 2021/22.

The remuneration package of key management staff, including the Principal and Chief Executive are subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The Principal and Chief Executive received a 3% pay award with effect from 1 January 2023 (No pay award was given in 2021/22). The Principal and Chief Executive was not involved in setting his remuneration.

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

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

The College has adopted and complied with the Association of College's Senior Staff Remuneration Code and has regard for the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs.

Pay Multiples

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

Principal and CEO's basic salary (full time equivalent) as a multiple of the median of all staff

2023	2022
4.68	4.67

Principal and CEO's total remuneration (full time equivalent) as a multiple of the median of all staff

2023	2022
4.82	4.80

The Pay multiple calculations have been determined by dividing the annual full-time equivalent salary of the Principal by the median annual full time equivalent salaries of the College's employees as at 31 July in each of the respective years. Hourly paid staff are excluded from the calculation as they only work during term time and only on a part time basis.

10 Other operating expenses

	2023 Group £'000	2023 College £'000	2022 Group £'000	2022 College £'000
Teaching costs	2,802	2,721	3,476	3,344
Non-teaching costs	3,306	3,662	2,970	3,353
Premises costs	3,861	4,365	3,498	3,497
Total	**9,969**	**10,748**	**9,944**	**10,194**

Other operating expenses include:	**2023 £'000**	**2022 £'000**
Auditors' remuneration:		
Financial statements audit[1]	52	49
Internal audit	25	9
Other services provided by the financial statements' auditor	1	1
Other services provided by the internal auditors	4	2
Hire of assets under operating leases	103	112
Payments to subcontractors	70	975

[1] Includes £44,000 (2022: £42,000) in respect of the college.

10a Access and Participation Expenditure

The College incurred the following expenditure in relation to its Access and Participation plan, which is published on the College's website www.sthelens.ac.uk.

	£	£
Access Investment	30,869	32,509
Financial Support to Students	74,071	58,103
Disability Support	1,934	1,900
Research and Evaluation	39,009	37,711

The above costs include £45,916 (2022: £44,067) in relation to staff costs, all of which are included in the staff costs per Note 9

11 Interest and other finance costs – Group and College

	2023 £'000	2022 £'000
On bank loans, overdrafts, and other loans:	362	392
Pension finance costs (note 25)	107	549
Total	**469**	**941**

12 Taxation – Group only

	2023 £'000	2022 £'000
United Kingdom corporation tax at 19 per cent	-	-
Total	**-**	**-**

13 Tangible fixed assets (Group)

	Land and buildings		Equipment	Total
	Freehold	Long leasehold		
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2022	91,344	1,171	3,253	95,768
Additions	-	-	1,956	1,956
Donation	-	30,310	-	30,310
Disposals	-	-	(304)	(304)
At 31 July 2023	**91,344**	**31,481**	**4,905**	**127,730**
Depreciation				
At 1 August 2022 as restated	32,854	741	1,597	35,192
Charge for the year	2,253	50	670	2,973
Charge on donated asset	-	497	-	497
Elimination in respect of disposals	-	-	(245)	(245)
At 31 July 2023	**35,107**	**1,288**	**2,022**	**38,417**
Net book value at 31 July 2023	**56,237**	**30,193**	**2,883**	**89,313**
Net book value at 31 July 2022 as restated	58,490	430	1,656	60,576

In August 2022 a 125 year lease at a peppercorn rent for a site at Stockbridge Lane, Knowsley was entered into. A valuation on a depreciated replacement cost basis was carried out by Avison Young which gave a cost for the site of £30.3m. The asset has been recorded as the donation of a gift at £30.3m and the asset included within fixed assets. The buildings element of the valuation is being depreciated over 50 years giving an annual depreciation cost of £497k.

13a Tangible fixed assets (College)

	Land and buildings		Equipment	Total
	Freehold	Long leasehold		
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2022	91,344	1,171	3,253	95,768
Additions	-	-	1,925	1,925
Donation	-	30,310	-	30,310
Disposals	-	-	(304)	(304)
At 31 July 2023	**91,344**	**31,481**	**4,874**	**127,699**
Depreciation				
At 1 August 2022 as restated	32,854	741	1,597	35,192
Charge for the year	2,253	50	669	2,972
Charge on donated asset	-	497	-	497
Elimination in respect of disposals	-	-	(245)	(245)
At 31 July 2023	**35,107**	**1,288**	**2,021**	**38,416**
Net book value at 31 July 2023	**56,237**	**30,193**	**2,853**	**89,283**
Net book value at 31 July 2022 as restated	58,490	430	1,656	60,576

14 Non-current investments

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Investments in subsidiary companies	-	100	-	100
Total	**-**	**100**	**-**	**100**

The College owns 89 per cent of the issued ordinary £1 shares of Waterside Training Limited, a company incorporated in England and Wales.

The principal activity of Waterside Training Limited is the delivery of training for individuals and companies in the engineering industry.

15 Trade and Other Receivables

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Amounts falling due within one year:				
Trade receivables	438	357	146	95
Amounts owed by group undertakings:				
Subsidiary undertakings	-	302	-	226
Prepayments and accrued income	1,397	1,392	1,093	1,085
Amounts owed by ESFA	871	871	555	555
Other debtors	-	-	11	11
Total	**2,706**	**2,922**	**1,805**	**1,972**

16 Creditors: amounts falling due within one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank loans and overdrafts	548	548	521	521
Obligations under finance leases	-	-	19	19
Trade payables	1,581	1,556	1,133	1,101
Amounts owed to group undertakings:				
Subsidiary undertakings	-	45	-	23
Other taxation and social security	589	564	569	551
Accruals and deferred income	2,191	2,158	2,397	2,317
Deferred income - government capital grants	1,794	1,794	1,656	1,656
Amounts owed to the ESFA	1,097	1,097	55	55
Other creditors	473	443	726	590
Total	**8,273**	**8,205**	**7,076**	**6,833**

17 Creditors: amounts falling due after one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank loans	6,014	6,014	6,562	6,562
Obligations under finance leases	-	-	-	-
Deferred income - government capital grants	34,674	34,674	33,495	33,495
Total	**40,688**	**40,688**	**40,057**	**40,057**

18 Maturity of debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
In one year or less	548	548	521	521
Between one and two years	579	579	548	548
Between two and five years	1,929	1,929	1,833	1,833
In five years or more	3,506	3,506	4,182	4,182
Total	**6,562**	**6,562**	**7,083**	**7,083**

Bank loans with interest rates of between 5.23% and 5.39% repayable by instalments falling due between August 2022 and November 2032 totalling £6,562k, are secured on a portion of the freehold land and buildings of the Group.

(b) Finance Leases

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

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
In one year or less	-	-	19	19
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
Total	**-**	**-**	**19**	**19**

The College had two finance leases both of which matured during 2022-23. They were both secured on computer equipment and for a term of 36 months.

19 Provisions

	Group and College		
	Defined benefit obligations / (assets)	Other	Total
	£'000	£'000	£'000
At 1 August 2022	3,316	-	3,316
Expenditure in the period	-	-	-
Movements in period	(8,041)	-	(8,041)
At 31 July 2023	**(4,725)**	**-**	**(4,725)**

Defined benefit (assets) / obligations relate to the liabilities or assets under the College's membership of the Local Government Pension Scheme. Further details are given in Note 25.

20 Cash and cash equivalents

	At 1 August 2022	Cash flows	At 31 July 2023
Group	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	2,977	1,531	4,508
Total	**2,977**	**1,531**	**4,508**
College			
Cash and cash equivalents	2,547	1,687	4,234
Total	**2,547**	**1,687**	**4,234**

21 Capital and other commitments

	Group and College	
	2023	2022
	£'000	£'000
Commitments contracted for at 31 July	595	-

22 Lease obligations

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

	Group and College	
	2023	**2022**
	£'000	**£'000**
Future minimum lease payments due		
Land and buildings		
Not later than one year	1,016	828
Later than one year and not later than five years	4,483	3,682
Later than five years	8,223	8,125
	13,722	12,635
Other		
Not later than one year	74	74
Later than one year and not later than five years	22	29
Later than five years	-	3
	96	106

23 Contingent liabilities

There are no contingent liabilities at year end.

24 Events after the reporting period

There are no material events after 31 July 2023.

25 Defined benefit obligations

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

Total pension cost for the year		**2023 £000**		**2022 £000**
Teachers' Pension Scheme: contributions paid		1,723		1,688
Local Government Pension Scheme:				
Contributions paid	509		539	
FRS 102 (28) charge	1,015		1,709	
Charge to the Statement of Comprehensive Income		1,524		2,248
Other pension contributions		10		8
Total Pension Cost for Year within staff costs		**3,257**		**3,944**

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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £262,616 (2022: £265,345) were payable to the schemes at 31st July and are included within creditors.

The LGPS contributions paid figure above of £509k does not include pension costs in relation to redundancies that are accounted for within restructuring costs in the financial statements.

25. Defined benefit obligations continued

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 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 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach. The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion;
- Value of notional assets (estimated future contributions together with proceeds from the notional investments held at the valuation date) of £222 billion;
- Notional past service deficit of £39.8 billion (2016: £22 billion)
- Discount rate is 1.7% in excess of CPI (2016: 2.4% in excess of CPI (this change has had the greatest financial significance)).

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared with 23.68% under the previous valuation including a 0.08% administration levy).DfE agreed to pay a Teachers Pensions employer contribution grant to cover additional costs during the 2021-22 academic year, and currently through to July 2024.

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

The employer pension costs paid to TPS in the year amounted to £1,723k (2022: £1,688k).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Wirral MBC Local Authority. The total contributions made for the year ended 31 July 2023 were £864,793, of which employer's contributions totalled £508,781 and employees' contributions totalled £356,012. The agreed contribution rates for employers throughout 2022-23 were 20.1% and ranged from 5.5% to 12.5% for employees, depending on salary.

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP".

25. Defined benefit obligations continued

However, in response to this judgement HM Treasury stated that “public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgment", clearly implying that the Government (who have the overall power to determine benefits provision) believe the judgement itself will not affect the benefits. Therefore, the natural conclusion for the main public service pension schemes including the Local Government Pension Scheme is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgment, at least at the present time, and so we have not made any allowance for any additional liabilities at this stage. This is consistent with previous accounting disclosures.

There is a separate wider potential issue in relation to GMP equality in general. At present, the public service schemes are required to provide full CPI pension increases on GMP benefits for members who reached State Pension Age between 6 April 2016 and 5 April 2021. The UK Government may well extend this at some point in the future to include members who reached State Pension Age from 6 April 2021 onwards. A provision of £242,000 has been provided at 31 July 2023 (2022: £242,000) for the cost of extending GMP equalisation to members who reached State Pension Age after 2021.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	**At 31 July 2022**
Rate of increase in salaries	4.2%	4.2%
Future pensions increases	2.8%	2.8%
Discount rate for scheme liabilities	5.1%	3.5%
Inflation assumption (CPI)	2.7%	2.7%
Commutation of pensions to lump sums	0.0%	0.0%

Due to the current very high levels of inflation, the impact of actual CPI since September 2023 (which will impact the April 2024 pension increase but is not included in the assumptions above) will be allowed for as an experience loss alongside the impact of the 2023 pension increase. The experience loss per the 31 July 2023 report is £3,027k for Post September known inflation.

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

	At 31 July 2023 Years	**At 31 July 2022** Years
Retiring today		
Males	20.8	20.9
Females	23.3	24.0
Retiring in 20 years		
Males	22.1	22.4
Females	25.1	25.9

25. Defined benefit obligations continued

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

	Long term rate of return expected at 31 July 2023	Fair Value at 31 July 2023 £'000	Long term rate of return expected at 31 July 2022	Fair Value at 31 July 2022 £'000
Equity instruments	45.50%	41,841	37.00%	36,455
Government bonds	13.20%	12,138	21.70%	21,380
Other bonds	4.10%	3,770	8.10%	7,981
Property	10.50%	9,656	8.20%	8,079
Cash	2.70%	2,483	5.20%	5,123
Other	24.00%	22,070	19.80%	19,508
Total fair value of plan assets		**91,958**		**98,526**
Rate of return on period end assets		**3.20%**		**4.50%**
Actual return on plan assets		**2,976**		**4,442**

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

	2023 £'000	2022 £'000
Fair value of plan assets	91,958	98,526
Present value of plan liabilities	(82,755)	(101,842)
Impact of asset ceiling	(4,478)	-
Net pensions asset / (liability) (Note 19)	**4,725**	**(3,316)**

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

	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service cost less employer contributions	(986)	(1,650)
Administration expenses	(29)	(27)
Past service cost	-	-
GMP equalisation provision	-	-
Effect of curtailments	-	(32)
Total	**(1,015)**	**(1,709)**

25. Defined benefit obligations continued

Amounts included in finance costs

Net interest cost (note 11)	(107)	(549)
	(107)	**(549)**

Amount recognised in Other Comprehensive Income

Return on pension plan assets	(8,307)	2,924
Experience gains/(losses) arising on defined benefit obligations	(5,922)	(7,570)
Changes in assumptions underlying the present value of plan	27,870	38,219
Effect of asset ceiling	(4,478)	-
Amount recognised in Other Comprehensive Income	**9,163**	**33,573**

Movement in net defined benefit liability during year

	2023	**2022**
	£'000	**£'000**
Net defined benefit liability in scheme at 1 August	(3,316)	(34,631)
Movement in year:		
Current service cost	(1,473)	(2,243)
Employer contributions	487	593
Administration expenses	(29)	(27)
Effect of curtailments	-	(32)
Past service cost	-	-
GMP Equalisation Provision	-	-
Net interest on the defined liability	(107)	(549)
Business combinations	-	-
Actuarial gain or loss	9,163	33,573
Net defined benefit asset / (liability) at 31 July	**4,725**	**(3,316)**

Asset and Liability Reconciliation

	2023	**2022**
	£'000	**£'000**
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	**101,842**	**130,406**
Current service cost	1,473	2,243
Interest cost	3,527	2,068
Contributions by Scheme participants	356	334
Experience gains and losses on defined benefit obligations	5,922	7,570
Changes in financial assumptions	(26,492)	(37,338)
Changes in demographic assumptions	(1,378)	(881)
Estimated benefits paid	(2,495)	(2,592)
Past Service cost	-	-
Curtailments and settlements	-	32
Defined benefit obligations at end of period	**82,755**	**101,842**

25. Defined benefit obligations continued

Fair value of plan assets at start of period	**98,526**	**95,775**
Interest on plan assets	3,420	1,519
Return on plan assets	(8,307)	2,924
Employer contributions	487	593
Contributions by Scheme participants	356	334
Administration expenses	(29)	(27)
Estimated benefits paid	(2,495)	(2,592)
Fair value of plan assets at end of period	**91,958**	**98,526**

26 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £1,951 (2022: £760). The cost represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2022: none).

The Sutton Academy – a secondary school St Helens College acts as sponsor for. Sales of services £13k (2022: £14k), Purchase of services £nil (2022: £nil). As at 31 July 2023 the balance owed by Sutton was nil (2022: £nil).

Pilkington Group Limited – a company of which a Governor is an employee. Sales of services £35k (2022: £58k), Purchase of services £nil (£2022: £nil). At 31 July 2023 the balance due from Pilkington Group was £14k (2022: ££16k)

Waterside Training limited – a 89% owned subsidiary. Sales of services £212k (2022: £187k), Purchase of services £1,010k (2022: £491k). As at 31 July 2023 the net balance owed by Waterside was £262k (2022: owed by Waterside £203k).

27 Amounts disbursed as agent

	2023	2022
	£'000	£'000
Unspent balance at 1 August	585	581
Funding body grants – 16-18	709	674
Funding body grants – adults	586	699
	1,880	1,954
Disbursed to students	(1,450)	(1,178)
Clawback of prior year unspent funds	(25)	(122)
Administration costs	(65)	(69)
Balance unspent as at 31 July, included in creditors	340	585

Funding body grants are available solely for students. Where the College only acts as a paying agent the grants and related disbursements are excluded from the Statement of Comprehensive Income.

Independent Reporting Accountant’s Assurance Report on Regularity to the Corporation of St Helens College and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 19 November 2021 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the “ESFA”) or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by St Helens College during the period 1 August 2022 to 31 July 2023 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 2022 to 31 July 2023 have 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 Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

We have complied with the independence and other ethical requirements of the FRC’s Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management.

Responsibilities of Corporation of St Helens College for regularity

The Corporation of St Helens 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 are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of St Helens 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 Code.

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.

Independent Reporting Accountant's Assurance Report on Regularity to the Corporation of St Helens College and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA) (continued)

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 2022 to 31 July 2023 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 those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

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

Use of our report

This report is made solely to the Corporation of St Helens 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 St Helens 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 St Helens 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.

RSM UK Audit LLP

RSM UK AUDIT LLP
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

15/12/23