



EXETER COLLEGE
Annual Report and Financial Statements
Year ended 31 July 2020

EXETER COLLEGE

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EXETER COLLEGE

Key Management Personnel, Board of Governors and Professional Advisors

Key Management Personnel

Key management personnel are defined as members of the College Leadership team and were represented by the following in 2019-20:

Principal & Accounting Officer:	Mr J Laramy
Chief Financial Officer:	Mr R Church (Appointed August 2020)
Vice Principal – Finance and Business Operations:	Mr S Campion (Resigned February 2020)
Vice Principal – Schools, Partnerships & Curriculum:	Mr R Bosworth
Vice Principal – Performance:	Ms J Otty

Board of Governors

A full list of Governors is given on Page 15 & 16 of these financial statements.

Professional advisers

Financial statement and regularity auditor:

Bishop Fleming
Chartered Accountants and Statutory Auditors
Stratus House
Emperor Way
Exeter Business Park
Exeter EX1 3QS

Internal auditors:

TIAA
Business Support Centre
54-55 Gosport Business Centre
Aerodrome Road, Gosport
Hampshire, PO13 0FQ

Bankers:

Lloyds Bank PLC
PO Box 340
234 High Street
Exeter
EX4 3ZB

Solicitors:

Foot Anstey Solicitors
Senate Court
Southernhay Gardens
Exeter
Devon
EX1 1NT

Property consultants:

Peninsula Project Consulting
Redwoods
2 Clyst Works
Clyst Road
Topsham
Exeter
EX3 0DB

EXETER COLLEGE

STATEMENT FROM THE CHAIR OF THE BOARD

The Board has presided over another strong year for Exeter College. The constant organisation wide focus on student outcomes, the learner experience, teaching quality and robust financial management during 2019/20 has put the College in an exceptionally strong position as it faces the challenges of the coming year.

The success achieved this year is despite the unprecedented disruption, anxiety and distress caused by Covid-19. The devastating impact of Covid-19 across the world has been felt at College level first during the nationwide lockdown, then by the Centre Assessed Grade process for GCSE and A Levels and now with the 'new' normal learning environment. It is testament to teaching staff, support staff and learners alike at Exeter College that for the 2020-21 academic year, the College has been fully open to all from the first week in September 2020. Throughout this Report and Financial Statements, references to Covid-19 will be repeated, for reasons understood by all.

Adverse demographic trends, reduced government funding and major national education policy and curriculum changes were again factors affecting the whole of the sixth form and further education sector. Exeter College is not immune to such factors and the fact that, despite these, the College has continued to grow and improve its outcomes over the last year is evidence of the drive, innovation and responsiveness of its leadership and governance.

The College will have finished the year with "Outstanding" financial health, as classified by the ESFA. The College is operating in an environment of extremely tight margins but is successfully balancing the generation of a surplus in the Income and Expenditure account with investment in its people, estate and facilities.

As in recent years, the momentum of capital investment in accommodation and facilities continued, supporting our ever-growing student numbers. During 2019/20 the construction at our main Hele Road site of a £10 million Digital and Data Centre, as part of the wider South West Institute of Technology, commenced. The Exeter College Institute of Technology building, with funding agreed by the DFE and match funded by the College, is due to be completed in April 2021. In addition to this, following the College being chosen as one of the first colleges nationally to deliver the new T level curriculum from September 2020, a £5 million capital project was completed in the summer to ensure T level readiness. This encompassed the completion of a new mezzanine floor at our Construction Centre, as well as the refurbishment of the ground floor of the Hele building. A £2.5 million grant was secured to part fund this project.

In respect of the College's property Masterplan, following outline planning permission for the redevelopment of the Hele Road site over the next 15 years being achieved in 18/19 and the commencement of phase one, the Digital and Data Centre this year, further work has been undertaken to progress stage two. Subject to achieving grant funding and additional planning requirements, stage two of the masterplan is being targeted to commence in 2021.

In 2019/20 our funded 16-18 full-time learner numbers increased against 18/19, to 5,871, a healthy growth of 304 learners, which resulted in in-year funding. This further established Exeter College's position as one of the largest 16-18 providers in the country, one of the few achieving this without merger. Our higher education numbers again reduced from the previous year in line with a very competitive environment experienced across the FE sector. We question whether the widespread practice during the year in question of higher education institutions making unconditional (and especially "conditional unconditional" offers) is in the best interests of learners and schools and colleges seeking to motivate learners to achieve good outcomes. Exeter College now supports over 2,300 apprentices on an annual basis, servicing the skills requirements of both apprenticeship levy paying employers and small and medium sized enterprises (SMEs). Apprenticeship income was once again above £6 million, achieving the target set out in our five-year strategic plan to 2020.

In terms of academic performance, the College had its best International Baccalaureate (IB) results in over 20 years of delivering the IB. Every single student on the program passed their exams, with over a third achieving 40+ points, which puts those students within the top 5-10% in the world. This magnificent achievement was followed up by exceptional A Level results that saw 99.5% of students pass and well over 50% of students achieve A*, A or B grades. In addition to this, a 96% achievement rate was celebrated by the Access to Higher Education students, meaning the vast majority of students on these courses can now move on to degree level studies at universities throughout the UK and, in some cases, overseas.

The reputation of Exeter College for delivering an exceptional education for vocational courses was once again enhanced following remarkable successes in technical-based qualifications. Amongst the highlights, achievement rates for students on BTEC Sport, BTEC Construction and NCFE Diploma in Childcare and Education were at 100%, while

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STATEMENT FROM THE CHAIR OF THE BOARD (Continued)

98% of students studying the BTEC in Health and Social Care achieved a pass mark or better. These qualifications will provide a gateway for the students to progress into industry, further study or an apprenticeship.

Partnership working is, as always, central to our approach and to our work. We built on our strong and well-established partnerships with local schools, the University of Exeter, the City and County Councils, major local employers, employer organisations and sports bodies. The relationship with the Exeter Chiefs Rugby Club, creating the Chiefs' male and female Rugby Academy at Exeter College, continues to thrive.

The Board remains extremely strong in the quality and breadth of its membership and continually renews itself on account of its 4 + 4 year maximum 8 year term of office. We are fortunate to have a good gender and age balance on the Board although, in common with many Boards, there is work to do on diversity other than gender. It has presided over a sustained period of growth, success and rising quality and faces ever increasing sectoral, political, curriculum and financial challenges ahead with a very high degree of confidence. I am grateful to the governors, leadership team, staff, supporters and, above all, the learners of the College in delivering another successful year's working.



David Allen OBE
Chair of the Board of Exeter College

EXETER COLLEGE

Operating and Financial Review

NATURE, OBJECTIVES AND STRATEGIES:

The members present their report and the audited financial statements for the year ended 31 July 2020.

Legal status

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

Vision, Mission and Dimensions

In 2016/17, Exeter College launched its current Strategic Plan (2016-20) which incorporates the following Vision, Mission, Values and Dimensions.

Vision

To be an exceptional college.

Mission

To realise ambitions, shape the future of education and strive for excellence for our learners, city and region.

Our Values

1. Student-centred
We are focused on delivering exceptional teaching, learning and training. We listen and respond to feedback and place the student at the heart of our college.
2. Striving for excellence
We expect excellence in all dimensions of the college and always believe we can improve.
3. Developing our people
We know every person in the organisation makes a difference to the student experience. We value professional development and nurture an environment in which every employee can make a positive contribution.
4. Creative and ambitious
We don't stand still; we actively seize and create new opportunities. We are imaginative, innovative and aspirational.
5. Trust and integrity
We believe in honest and transparent communication. Trust and integrity is at the core of all that we do.
6. Collaborative and Inclusive
We forge links with the community; locally, nationally and internationally to grow our partnerships and respond to the needs of our stakeholders. We develop our curriculum to meet the needs of all our learners.

Within the Strategic Plan, there are six dimensions; 6th Form Centre, Apprenticeships and Employers, Centre for University Level Studies, Adult Training and Learning, Resources and Business Operations, and People. A series of performance objectives have been agreed to monitor the successful implementation of the Strategic Plan against each dimension. These are reviewed on an annual basis at Board and college management team level. A new strategic plan, to take the college forward from 2020 is currently being finalised.

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Operating and Financial Review (Continued)

Public Benefit

Exeter College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 15 and 16. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPs)

Financial objectives/KPI's

The Governing Body agreed the following objectives at part of the budget setting process.

1	To sustain at least Good Financial Health, as categorised by the ESFA.	Achieved
2	To maintain a balance between a strong retained cash position and investment in line with the Property Masterplan. Current Ratio > 1	Current ratio of 1.48 achieved
3	To manage long term borrowing and overall debt. Borrowing as a percentage of income less than 30%	Borrowing as a percentage of income 18.1%
4	To diversify the college income streams, reducing the reliance on ESFA funding. Non ESFA funding (including apprenticeships) as a percentage of total income > 31%	Non ESFA funding (including apprenticeships) as a percentage of total income 33%
5	To achieve an agreed annual EBITDA > 7% *as a percentage of income	Annual EBITDA as a percentage of income 12.57%
6	To continue to grow in line with our strategic plan objectives. Annual Income > £40m	Annual income £42 million

* The EBITDA calculation excludes all adjustments associated with the Local Government Pension Scheme.

All these objectives were met in year.

Performance indicators

The Education and Skills Funding Agency has adopted a system of performance measures for colleges, FE Choices which is part of the Further Education Public Information (FEPI) framework:

- Success rates
- Learner destinations
- Learner satisfaction
- Employer satisfaction

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Operating and Financial Review (Continued)

The College is committed to observing the importance of the measures and indicators within the Framework and is monitoring these through the completion of the annual Finance Record for the Education and Skills Funding Agency. The current rating is in line with the last Ofsted inspection in 2014 which grades the College as outstanding.

Financial results

After another year of strong performance Exeter College will be classified as "Outstanding" Financial Health based on the criteria set by the ESFA for 2019/20. The Group made an operating surplus on continuing activities of £1,660,000 (2018/19 surplus £61,000).

Whilst the effects of Covid-19 did not significantly adversely affect the academic year in terms of the core College financial performance, the related commercial activities were appreciably influenced. The catering, outdoor educational and nursery operations were impacted throughout lockdown, with the loss in income not fully mitigated through related cost savings. We expect this to continue through the 2020/21 academic year, although not to the same extent.

The Group has continued to grow, with total income now above £42 million. The Group has continued to invest in its staff, including a one off non-consolidated bonus for all staff based on the overall performance in 19/20.

Excluding the pension reserve, the Group has an accumulated income and expenditure surplus of £27,582,000 (2018/19: £25,927,000) and the College continued to accumulate reserves based on good operating performance. The combined impact of FRS102 pension adjustments of £2,221,000 (2018/19: £2,246,000) and the actuarial loss in respect of pensions of £12,137,000 (2018/19: £1,943,000) resulted in an FRS102 accumulated income and expenditure deficit of £12,498,000 (2018/19: Surplus £86,000). The main driver of the actuarial loss in respect of pensions was a change in the financial assumptions in relation to the liabilities discount rate to 1.40% (2018/19: 2.15%), increasing the defined benefit obligations by £9,903,000.

Excluding the pension reserve, Net Assets of the Group are £36,181,000 (2018/19: £34,851,000) and the College £36,262,000 (2018/19: £34,851,000). The extraordinary actuarial loss in respect of pensions in the year has resulted in College and Group Net Assets becoming negative (£3,899,000); (2018/19: £9,010,000), with the pension reserve now totalling £40,080,000. A negative net asset position at year end would have breached a net asset covenant with one of the lenders, but this covenant breach was formally waived, and the covenant removed by the lender. All other bank covenants were met during the year.

Cash balances at year end were £8,453,000 (2018/19: £6,791,000). The cash balances will continue to be used to support the development and implementation of the strategic plan, property masterplan and rewarding staff based on overall College performance.

Tangible fixed asset additions during the year amounted to £6,401,000. This was split between new buildings of £295,000, equipment purchased of £390,000 and assets under construction of £5,716,000.

The College has significant reliance on the funding bodies for its principal funding source, largely from recurrent grants. In 2019/20 funding body grants (excluding apprenticeships) provided 67% of the College's total income.

The College has three subsidiary companies, Aplus Training (SW) Limited, Exeter College Services Limited (previously Ecole Limited) and Exeter College Apprentices Limited. Aplus Training (SW) Limited remains dormant, however Exeter College Services Limited was active from August 2019 for, primarily, the operation of the College and Owlets nurseries. The Group purchased Exeter College Apprentices Limited in 2017/18 for delivery of non-levy (SME) apprenticeships. This had a period end of July 2019 for its first period of operation as part of Exeter College but the operations were subsequently hived up into the College, with Exeter College Apprenticeships Limited becoming dormant during 2019/20.

Treasury policies and objectives

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

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Operating and Financial Review (Continued)

The College has a separate treasury management policy in place. Borrowing requires authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum of the Education and Skills Funding Agency.

Cash flows

Operating net cash inflow was £4,049,000 (2018/19 £4,453,000), largely the result of an operating surplus on continuing activities of £1,660,000 (2018/19: £61,000), adjusted for depreciation of £2,544,000 (2018/19 £2,593,000).

Liquidity

The size of the College's total borrowing and its approach to interest rates have been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year this margin was comfortably met. Whilst the net impact to Income and Expenditure relating to Covid-19 was minimal in 19/20, we expect increased Covid-19 costs and loss of commercial income in 20/21 to be largely absorbed by the full year impact of higher student numbers in 19/20 being realised in 20/21.

Reserves Policy

The College recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. The College currently holds no restricted reserves. It is the Corporation's intention to maintain reserves over the life of the Strategic Plan, by the generation of annual operating surpluses, to in part invest in future phases of the property masterplan.

The College considers its reserves, excluding pension adjustments to be at a sufficient level to fund the masterplan requirements for the foreseeable future, as the pension liability will be settled over a long term period.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Financial Health

The College has achieved "Outstanding" financial health, as classified by the Education and Skills Funding Agency. Based on the current two-year financial plan, the ESFA have classified our long term financial health as "Good".

Student numbers

In 2019/20 the Group has delivered activity that has produced £32,843,000 in funding body main allocation funding (2019: £31,938,000). The College enrolls over 11,500 students spanning entry to level 4 provision. Around a third of all 16-18 full-time students in the Devon Local Authority Area attend Exeter College. There were 5,871 full time 16-18 at the end of the year, in line with the original funding allocation for the year.

Student achievements

Student outcomes are outstanding and continue to place Exeter College as one of the highest performing colleges in the country. 16-18 learners have an overall achievement rate of 89.8% compared to the national average of 82.4%. The overall achievement rate for apprenticeship provision is 74%, some 7% ahead of the last available national average.

Curriculum developments

Exeter College plays a social, economic and community leadership role in the city and county as a school, Sixth Form College, general further education College, training provider for employers and HE centre. This makes the College vibrant and lively, with a strong focus on success, which has a high impact on the local community.

Exeter College offers a very wide curriculum to our students and our community. Courses are offered in all subject areas except land-based industries, from Foundation learning level 1 to levels 3 and 4. The College has extensive and meaningful links with business, industry and the community, including partnerships with Exeter Chiefs, Exeter City Football Club, Exeter City Council and Devon County Council. Significant new apprentice delivery models have been developed with GWR railways and the Royal Devon & Exeter hospital in Exeter.

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Operating and Financial Review (Continued)

2019/20 has been the fourth year of embedding Maths and English into programmes of study. This continues to be a challenge in terms of resourcing in a large Tertiary College as well as the impact on quality metrics.

The College has also developed a number of other specialist academies including the Journalism Academy, the Michael Caines Hospitality Academy, the Reach Academy, an Enterprise Academy and the Exeter Chiefs Rugby Academy.

Additionally, Exeter College is the adult and community learning provider for the city offering a range of adult vocational provision and enrolled 328 students on Higher Education programmes in an increasingly competitive environment.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2019 to 31 July 2020, the College paid 93% of its suppliers within the month. The College incurred no interest charges in respect of late payment for this period.

Post-balance sheet events

There are no post balance sheet items in the financial statements to report.

Future prospects

During 2017 the College launched an estates masterplan producing a vision for our city centre sites (Hele Road and Queen Street) to accommodate a projected 30% growth in students over the period of the masterplan. The planning framework has now been formalised with Exeter City Council following significant work in year by our professional team. This culminated in the approval of outline planning permission with a 15 year time frame for redevelopment of the Hele Road site in July 2019. At the same time, the College also gained approval for the first phase of the masterplan at the Hele Road site, a £10million Digital and Data Centre as part of the wider South West Institute of Technology. This project commenced during this year and is expected to be completed by the end of the 2020/21 academic year.

A grant has been received to contribute towards the Digital and Data Centre build, with further funds planned to be delivered during the final third of the build through bank funding. This funding is expected to be finalised in November 2020 and will be utilised for the build programme in the early part of 2021.

Part two of the masterplan is currently being assessed and, subject to further planning approval and grant funding, progress is targeted to be achieved in the 2020/21 academic year. Subject to our full plan review and in addition to grant funding, further third-party funding may be sought, depending on the timing and scope of the works.

In spite of Covid-19 impacting on the nation in many ways, enrolment for 2020/21 was good and our expectation if local and national rules allow, is to continue our College-based teaching and learning model where possible. Significant costs are expected to be incurred in 2020/21 to ensure the College is Covid-secure and that a safe environment is provided for staff and learners alike. In addition, we expect the restrictions of Covid-19 to continue to impact our commercial operations, as outlined in the Financial Results section. We will still target significant non-funded income from other income streams, such as apprenticeship income.

The College continues annually to invest in IT and smaller scale estates projects. With the demands of Covid-19 for remote teaching and learning as well as greater flexibility for non-teaching staff to be working remotely, we anticipate that further funds will be allocated to IT infrastructure and hardware during the course of 2020/21.

With the full year effect of the higher student numbers in 2019/20 resulting in increased 16-18 funding levels in the 2020/21 academic year, increased Income and Expenditure Statement costs and capital requirements relating to Covid-19 will be absorbed.

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Operating and Financial Review (Continued)

RESOURCES

The College has considerable property resources that it can deploy in pursuit of its strategic objectives. There are now five main College sites in Exeter city centre, as well as the recently extended Technology Centre at Monkerton and a Construction Centre at Sowton. In addition, the College operates an Outdoor Education Centre at Haven Banks, on the Quayside in Exeter, in partnership with Devon County Council and the Exwick sports facilities with Exeter City Council.

Financial

Excluding the pension reserve, Net Assets of the Group are £36,181,000 (2018/19: £34,851,000) and the College £36,262,000 (2018/19: £34,851,000). The actuarial loss in respect of pensions in the year has resulted in College and Group Net Assets becoming negative, with the pension reserve now totalling £40,080,000. Including this pension reserve, the College has (£3,899,000) of consolidated net liabilities (2018/19: £9,010,000 Net Assets), and long-term debt of £6,779,000 (2019: £7,539,000).

People

The Group employs 1,143 people (expressed as headcount), of whom 971 are teaching staff.

Reputation

The College has an outstanding reputation locally, regionally and nationally. Maintaining a high-quality brand is essential for the College's success at attracting students and external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

A risk register is maintained at the College level which is reviewed by both the Senior Leadership Team and the Audit and Risk Assurance Committee on a termly basis. In addition, each risk has been allocated to the relevant governance committee for additional oversight. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system, and the format was further enhanced during 2018/19, following benchmarking and further scrutiny by the governing body.

This is supported by risk management training to raise awareness of risk throughout the College.

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

- Response to ongoing funding pressures while maintaining the quality of our provision
- Failure to sustain Ofsted outstanding and TEF Gold rating
- Failure to respond to curriculum and assessment changes
- Failure to meet safeguarding and Prevent Strategy requirements
- Failure to deliver appropriate teaching and learning methods from September 2020 (Covid-19 related)
- Failure to accommodate and coordinate all GCSE Maths and English students
- Lack of availability of funding to support student travel
- Failure to detect fraud
- Failure to maintain financial stability
- Failure to successfully implement new apprenticeships model
- Failure to recruit 16-18 learners
- Impact of the Brexit vote
- Increased competition for HE students

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Operating and Financial Review (Continued)

- Failure to provide sufficient specialist resources, social space and accommodation to support students (including T levels)
- Failure to recruit high quality staff and managers
- Student residential accommodation – capacity and safeguarding
- Failure to make a success of the nursery collaboration project
- New and increased competition
- Adverse publicity and reputation damage
- Breach of legislation
- IT security – risk of cyber attack
- Failure to meet Equality & Diversity, British Values, commitment, access legislation and expectations
- Impact of Covid-19

These risks are being addressed through the College's Strategic and Operational plans. With well-established risk management processes that are embedded in the operations of the College, the additional priorities resulting from Covid-19 have been effectively absorbed into the running of the College. Whilst Covid-19 considerations have been overlaid across numerous parts of the organisation, a separate group has been established to ensure an agile evolving plan as Covid-19 develops.

Tuition fee policy

Ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, Exeter College will seek to increase tuition fees in accordance with the fee assumptions. The risk for the College is that demand falls off as fees increase. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students
- Close monitoring of the demand for courses as prices change

Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102.

STAKEHOLDER RELATIONSHIPS

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

- Students;
- Funding Agencies;
- Governors;
- Staff;
- Local employers;
- Local Authorities;
- Local Enterprise Partnership;
- Parents & schools;
- The local community;
- Exeter University;
- Other FE and HE institutions;
- Trade unions;
- Lenders; and
- Professional bodies

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Operating and Financial Review (Continued)

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

Equality

Exeter College is committed to ensuring equality of opportunity for all who learn and work here. Safeguarding is at the core of all the College's operations. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The College's Equality and Diversity Policy is published on the College's Internet site.

The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. An Equality and Diversity Policy is in place and is monitored by managers and governors.

Disability statement

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

- a) As part of its accommodation strategy the College regularly updates its access audit.
- b) There is a list of specialist equipment, such as lighting and audio facilities, which the College can make available for use by students and a range of assistive technology is available in the learning centres.
- c) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- d) The College 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.
- e) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- f) Counselling and welfare services are described in the College Student Handbook, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Trade union facility time

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

Numbers of employees who were relevant period	FTE employee number
11	10.6

Percentage of time	Number of employees
0%	-
1-50%	11

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51-99%	-
100%	-

Total cost of facility time	£11,054.42
Total pay bill	£27,661,822
Percentage of total bill spent on facility time	0.040%

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 11.12.20 and signed on its behalf by:



David Allen
Chair of the Board

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

CORPORATE GOVERNANCE

The following statement is provided to enable readers of the annual report and accounts to gain an understanding of the College's governance and legal structure.

The College is committed to exhibiting best practice in all aspects of corporate governance. While there is no legal requirement for the College to adopt a code of Governance, the College applies the principles set out in the 2015 AoC Code of Good Governance and embeds those principles into its procedures and processes. The College considers the standards set out in the 2015 AoC Code of Good Governance as guidance of best practice. The College also draws on those aspects of the UK Corporate Governance Code that it considers are relevant and beneficial to support effective governance across the College.

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 2020. The Governing body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code, which it formally adopted at the September 2015 meeting of the Governing body.

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 governors, including co-opted members, who served on the Corporation during the year and up to the date of approval of this report were as listed in Table 1. Attendance data refers only to Board and Committee meetings held between 01/08/19 and 31/07/20 on which Members served, not where Members attended as observers.

Table 1: Corporation Members during 2019/20 and up to the date of approval of this report

Name	Appointment Dates	Terms of Office	Resignation Dates	Appointment Status	Board & Committees 01/08/18-31/07/19 (meetings attended/scheduled meetings)
D Allen <i>Chair</i>	01/04/13 01/04/17 18/03/10 (extension to 31/07/21)	4 years 4 years		External	Board (5/5) Business Services (5/5) Search & Governance (3/3) Remuneration (3/3)
B Arjoon <i>Vice Chair</i>	01/08/13 01/08/17	4 years 4 years		External	Board (5/5) Quality & Standards (5/5) Search & Governance (2/3) Remuneration (2/3)
H Ancient	01/08/18	4 years		External	Board (4/5) Business Services (5/5)
S Brampton	9/10/15 9/10/19	4 years 4 years		External	Board (1/5) Audit & Risk Assurance (4/4) Search & Governance (2/3) Remuneration (2/3)
S Clarke	04/05/18	4 years		External	Board (4/5) Quality & Standards (5/5)
J Coombs	04/07/12 04/07/16	4 years 4 years	03/07/2020	Co-opted	Audit & Risk Assurance (4/4)
B Gardner	01/09/18	1 year	31/08/19	Student (HE)	n/a resigned 31/08/19

EXETER COLLEGE

Name	Appointment Dates	Terms of Office	Resignation Dates	Appointment Status	Board & Committees 01/08/18-31/07/19 (meetings attended/scheduled meetings)
J Harris	01/09/18	1 year	31/08/19	Student (FE)	n/a resigned 31/08/19
N Hitchings	07/02/20	4 years		External	Board (3/3) Audit & Risk Assurance (2/2)
C Hoar	04/07/12 04/07/16	4 years 4 years	03/07/20	External	Board (5/5) Business Services (5/5) Search & Governance (3/3) Remuneration (3/3)
J Laramy	01/04/16	Ex officio		Principal & CEO	Board (5/5) Business Services (5/5) Quality & Standards (5/5) Search & Governance (3/3)
S Longmore	07/12/18	4 year		Staff (T&L)	Board (3/5) Quality & Standards (4/5)
T Matthew	01/09/19	1 year	31/8/20	Student (FE)	Board (5/5) Quality & Standards (5/5)
J Matthews	01/08/13 01/08/17 03/05/19	4 years 4 years 4 years		Co-opted External	Board (5/5) Audit & Risk Assurance (4/4) Quality & Standards (5/5)
C McCormack	01/05/20	4 years		External	Board (1/1) Business Services (1/1)
S Noakes	06/07/18	4 years		External	Board (4/5) Business Services (4/5)
M Owen	07/02/20	4 years		Co-opted	Business Services (1/2)
T Quine	03/07/20	4 years		External	Board (2/3) Quality & Standards (2/3)
M Roach	08/12/10 17/12/14 07/12/18	4 years 4 years 4 years		External	Board (4/5) Business Services (5/5) Remuneration (2/3) Search & Governance (2/3)
T Rutherford	07/07/19	2 years		External (Schools)	Board (5/5) Quality & Standards (5/5)
T Smith	01/10/19	1 year	31/08/20	Student (HE)	Board (5/5) Quality & Standards (4/5)
G Valastro	31/07/20	1 year		Student (FE)	Board Quality & Standards
E Webber	18/02/11 18/02/15 31/7/19) Extension to a third term to 31/07/23	4 years 4 years		External	Board (5/5) Business Services (4/5) Search & Governance (3/3) Remuneration (3/3)
C Wood	06/07/18	4 years	01/03/20	Staff (B Support)	Board (2/3) Quality & Standards (2/3)
G Woodcock	07/10/16 07/10/20	4 years 4 years		External	Board (4/5) Business Services (3/5)

Alison Layton-Hill was the Clerk to the Corporation.

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

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

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 Business Services, Audit and Risk Assurance, Remuneration, Search and Governance, Quality and Standards. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website or from the Clerk to the Corporation at:

Exeter College
Hele Road
Exeter
Devon
EX4 4JS

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

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

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

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

There is a clear division of responsibility in that the roles of the Chair of the Corporation and Principal of the College 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, comprising of the Chair and Vice Chair of the Board, the

Principal, the Chairs of the Committees and a long standing, experienced 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.

REMUNERATION COMMITTEE

Throughout the year ending 31 July 2020, the College's Remuneration Committee comprised the Chair and Vice Chair of the Board, a Governor with legal expertise, a Governor with expertise in Human Resources and a Governor with expertise in Finance. The committee determines the remuneration and benefits of the Principal and other senior post-

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

holders, reporting to the Corporation. In accordance with good practice the Committee is chaired by a member rather than the Chair of Governors and the Principal is not present when his remuneration is discussed. The Committee makes extensive use of comparative data and performance assessments in arriving at its determinations. It makes regular reports to the full Board.

Details of remuneration for the year ended 31 July 2020 are set out in notes 7 & 8 to the financial statements.

AUDIT AND RISK ASSURANCE COMMITTEE

The Audit and Risk Assurance Committee comprises four members of the Corporation (excluding the Principal and the Chair of the Board). The committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

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

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum / Financial Agreement between Exeter College and the Learning and Skills Council and its successor organisations. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Exeter College for the year ended 31 July 2020 and up to the date of approval of the annual report and financial statements.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Capacity to handle risk

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

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation;
- Regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

Exeter College has an internal audit service, which operates in accordance with the requirements of the Joint 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 and Risk

Assurance Committee. At least annually, the Head of Internal Audit (HIA) provides the Corporation with a report of internal audit activity in the College.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control.

His review of the effectiveness of the system of internal control is informed by:

- The work of the internal 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 regularity auditors in their management letters and other reports.

The Principal has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit and Risk Assurance Committee which oversees the work of the internal auditor, and a plan to address weakness and ensure continuous improvement of the system is in place.

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit and Risk Assurance Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Assurance Committee's role in this area is confined to a high level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit and Risk Assurance Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 11 December 2020 meeting, the Corporation carried

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

out the annual assessment for the year ended 31 July 2020 by considering documentation from the Senior Leadership Team, internal audit, and taking account of events since 31 July 2020.

As a result of Covid-19, a delegated board was implemented as soon as was possible in case there was any impact on board members. All board meetings were held when scheduled with two being held by email before the new meeting process was implemented. Additional special board meetings were held to give reassurance to the governors, as well as the Covid-19 operational group being set up which also gave assurance. The Chair also increased 1:1 meetings with the Principal in order to obtain the latest information regarding the College.

GOING CONCERN

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. During 2017/18, the corporation approved both a five year strategic plan and a twenty year property masterplan, which provides a framework for its ongoing operations. The College has made good progress against its strategic plan objectives during 2019/20, in spite of the disruption caused by Covid-19.

With the full year effect of the higher student numbers in 2019/20 resulting in increased 16-18 funding levels in the 2020/21 academic year, increased Income and Expenditure Statement costs and capital requirements relating to Covid-19 will be absorbed. The significant capital expenditure build projects currently being undertaken have been funded through reserves and capital grants, with a further planned bank loan to complete the projects expected to be approved by the end of 2020. For this reason it continues to adopt the going concern basis in preparing the Financial Statements.

Approved by order of the members of the Corporation on 11 December 2020 and signed on its behalf by:



David Allen, OBE
Chair of the Board



John Laramy
Principal and Accounting Officer


EXETER COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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


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

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



John Laramy
Principal and Accounting Officer

Date: 11.12.20



David Allen, OBE
Chair of the Board

Date: 11/12/20

EXETER COLLEGE

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

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

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

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

The corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the college.

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

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

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

Approved by order of the members of the Corporation on 11.12.20 and signed on its behalf by:



David Allen, OBE
Chair of the Board

INDEPENDENT AUDITORS' REPORT TO THE CORPORATION OF EXETER COLLEGE

Opinion

We have audited the financial statements of Exeter College (the 'corporation') for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2019 to 2020.

In our opinion, the financial statements:

- give a true and fair view of the state of the corporation's affairs as at 31 July 2020 and of the corporation's income and expenditure, gains and losses, changes in reserves and cash flows, 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 requirements of the FE HE SORP, College Accounts Direction 2019 to 2020 and the Office for Students' Accounts Direction.

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 corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Members' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post 16 Audit Code of Practice 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 by the corporation, or returns adequate for our audit have not been received from branches not visited by us; or
- the corporation's financial statements are not in agreement with the accounting records and returns; or

EXETER COLLEGE

INDEPENDENT AUDITORS' REPORT TO THE CORPORATION OF EXETER COLLEGE (CONTINUED)

- we have not received all the information and explanations we require for our audit.

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

In our opinion:

- Funds from whatever source administered by the College for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by the Office for Students and Research England have been applied in accordance with the relevant terms and conditions and any other terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the corporation's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the corporation's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 22, the corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporation is responsible for assessing the corporation'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 corporation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the corporation those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.



Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: 16/12/2020

EXETER COLLEGE

Reporting accountant's assurance report on regularity to the Corporation of Exeter College ("Exeter College") and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter dated 1 October 2020 and further to the requirements of funding agreement with the Education and Skills Funding Agency we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Exeter College during the period 1st August 2019 to 31 July 2020 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the Corporation of Exeter College and Department in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Exeter College and the Department 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 Exeter College and the Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Exeter College and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the College's activities;
- Evaluation and validation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the College's self-assessment questionnaire (SAQ);
- Sample testing of income and expenditure to ensure that funds have been applied for the purposes that they were awarded, focused on areas assessed as high risk.

EXETER COLLEGE

Conclusion

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



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
EX1 3QS
Date: 16/12/2020

EXETER COLLEGE

Consolidated Statements of Comprehensive Income and Expenditure
For the year ended 31 July 2020

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	2	34,485	34,485	32,701	32,701
Tuition fees and education contracts	3	4,120	4,120	5,200	5,200
Other grants and contracts	4	121	63	-	-
Other income	5	3,296	2,945	3,836	3,836
Investment income	6	43	42	39	39
Total income		42,065	41,655	41,776	41,776
EXPENDITURE					
Staff costs	7	29,632	29,213	28,802	28,802
Other operating expenses	9	9,550	9,480	11,610	11,610
Depreciation	12	2,533	2,531	2,593	2,593
Interest and other finance costs	10	911	911	956	956
Total expenditure		42,626	42,135	43,961	43,961
<i>Operating surplus on continuing activities</i>					
		1,660	1,741	61	61
<i>FRS 102 pension adjustments</i>					
		(2,221)	(2,221)	(2,246)	(2,246)
		(561)	(480)	(2,185)	(2,185)
(Deficit)/surplus before other gains and losses		(561)	(480)	(2,185)	(2,185)
Loss on disposal of assets		(6)	(6)	-	-
Gain/(loss) on investments		(205)	(205)	-	-
Deficit)/Surplus before tax		(772)	(691)	(2,185)	(2,185)
Taxation	11	-	-	-	-
(Deficit)/surplus for the year		(772)	(691)	(2,185)	(2,185)
Unrealised surplus on revaluation of assets		-	-	-	-
Actuarial loss in respect of pensions schemes	25	(12,137)	(12,137)	(1,943)	(1,943)
Total Comprehensive Income for the year		(12,909)	(12,828)	(4,128)	(4,128)

All items of income and expenditure relate to continuing activities.

EXETER COLLEGE

Consolidated and College Statement of Changes in Reserves
For the year ended 31 July 2020

	Income and expenditure account	Revaluation reserve	Restricted reserves	Total
	£'000	£'000	£'000	£'000
Group				
Balance at 1 August 2018	3,889	9,249	-	13,138
Surplus/(deficit) from the income and expenditure account	(2,185)	-	-	(2,185)
Other comprehensive income	(1,943)	-	-	(1,943)
Transfers between revaluation and income and expenditure reserves	325	(325)	-	
	(3,803)	(325)	-	(4,128)
Balance at 31 July 2019	86	8,924	-	9,010
Surplus/(deficit) from the income and expenditure account	(772)	-	-	(772)
Other comprehensive income	(12,137)	-	-	(12,137)
Transfers between revaluation and income and expenditure reserves	325	(325)	-	-
Total comprehensive income	(12,584)	(325)	-	(12,909)
Balance at 31 July 2020	(12,498)	8,599	-	(3,899)
College				
Balance at 1 August 2018	3,889	9,249	-	13,138
Surplus/(deficit) from the income and expenditure account	(2,185)	-	-	(2,185)
Other comprehensive income	(1,943)	-	-	(1,943)
Transfers between revaluation and income and expenditure reserves	325	(325)	-	-
	(3,803)	(325)	-	(4,128)
Balance at 31 July 2019	86	8,924	-	9,010
Surplus/(deficit) from the income and expenditure account	(691)	-	-	(691)
Other comprehensive income	(12,137)	-	-	(12,137)
Transfers between revaluation and income and expenditure reserves	325	(325)	-	-
Total comprehensive income	(12,503)	(325)	-	(12,828)
Balance at 31 July 2020	(12,417)	8,599	-	(3,818)

EXETER COLLEGE

Balance sheets as at 31 July 2020 For the year ended 31 July 2020

	Notes	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
Non current assets					
Tangible Fixed assets	12	55,085	55,033	51,235	51,235
Investments	13	-	-	205	205
		55,085	55,033	51,440	51,440
Current assets					
Trade and other receivables	14	2,119	2,183	1,335	1,335
Cash and cash equivalents	19	8,453	8,380	6,791	6,791
		10,572	10,563	8,126	8,126
Creditors – amounts falling due within one year	15	(7,143)	(7,092)	(6,127)	(6,127)
Net current assets		3,429	3,471	1,999	1,999
Total assets less current liabilities		58,514	58,504	53,439	53,439
Creditors – amounts falling due after more than one year	16	(21,127)	(21,036)	(17,428)	(17,428)
Provisions					
Defined benefit obligations	18	(40,080)	(40,080)	(25,841)	(25,841)
Other provisions	18	(1,206)	(1,206)	(1,160)	(1,160)
Total net assets		(3,899)	(3,818)	9,010	9,010
Unrestricted Reserves					
Income and expenditure account		27,582	27,663	25,927	25,927
Pension reserve		(40,080)	(40,080)	(25,841)	(25,841)
Revaluation reserve		8,599	8,599	8,924	8,924
Total unrestricted reserves		(3,899)	(3,818)	9,010	9,010
Total reserves		(3,899)	(3,818)	9,010	9,010

The financial statements and accompanying notes on pages 27 to 53 were approved by the corporation on 11 December 2020 and were signed on its behalf on that date by:



David Allen OBE
Chair



John Laramy
Principal

The notes on pages 31 to 53 form an integral part of these financial statements

EXETER COLLEGE

Consolidated Statement of Cash Flows
For the year ended 31 July 2020

	Notes	Group 2020 £'000	College 2020 £'000	Group 2019 £'000	College 2019 £'000
Cash flow from operating activities					
(Deficit) for the year		(772)	(691)	(2,185)	(2,185)
Adjustment for non-cash items					
Depreciation		2,544	2,531	2,593	2,593
(Increase)/decrease in debtors		(784)	(848)	2,344	2,344
Increase/(decrease) in creditors due within one year		407	355	(531)	(531)
Increase/(decrease) in creditors due after one year		90	-	(381)	(381)
Increase in provisions		46	46	37	37
Pensions costs less contributions payable		2,221	2,221	2,244	2,244
Adjustment for investing or financing activities					
Investment income		(43)	(42)	(39)	(39)
Interest payable		340	340	371	371
Net cash flow from operating activities		4,049	4,502	4,453	4,453
Cash flows from investing activities					
Investment income		43	42	39	39
Payments made to acquire fixed assets		(6,308)	(6,243)	(4,071)	(4,071)
Receipt of Capital Grant		4,959	4,959	-	-
		(1,306)	(1,242)	(4,032)	(4,032)
Cash flows from financing activities					
Interest paid		(340)	(340)	(371)	(371)
Repayments of amounts borrowed		(741)	(741)	(725)	(725)
		(1,081)	(1,081)	(1,096)	(1,096)
Increase / (decrease) in cash and cash equivalents		1,662	1,589	(675)	(675)
Cash and cash equivalents at beginning of the year	19	6,791	6,791	7,466	7,466
Cash and cash equivalents at end of the year	19	8,453	8,380	6,791	6,791

Analysis of changes in net (debt)/funds

	At 1 August 2019 £'000	Cash Flows £'000	Other Changes £'000	At 31 July 2020 £'000
Cash in hand, at bank	6,791	1,662	-	8,453
Debt due within one year	(741)	741	(761)	(761)
Debt due after one year	(7,539)	-	761	(6,778)
Current asset investments	205	-	(205)	-
Total	(1,489)	2,403	(205)	914

EXETER COLLEGE

Notes to the Financial Statements For the year ended 31 July 2020

1 Accounting policies

Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2019 to 2020 and 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.

Basis of consolidation

The consolidated financial statements include the college and two of its subsidiaries, as detailed in Note 13. Intra-group sales and profits are eliminated fully on consolidation. Exeter College Apprentices is not consolidated on the basis that it is immaterial to the financial statements. In accordance with Financial Reporting Standard FRS 102, the activities of the student union (student representative committee) have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2020.

Going concern

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

The College currently has £7.5m of loans outstanding with bankers on terms negotiated since 2005 and cash reserves at year end of £8.5m. The terms of the existing loan agreements are for up to another 13 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

With the full year effect of the higher student numbers in 2019/20 resulting in increased 16-18 funding levels in the 2020/21 academic year, increased Income and Expenditure Statement costs and capital requirements relating to Covid-19 will be absorbed. The significant capital expenditure build projects currently being undertaken have been funded through reserves and capital grants, with a further planned bank loan to complete the projects expected to be approved by the end of 2020.

The group had net liabilities of £3,899,000 as at 31 July 2020. This is largely due to the Groups share of the Devon County Council defined benefit pension scheme liability equal to £40,080,000. The liability is driven by actuarial assumptions which vary significantly year on year, (in particular the discount rate) and reflect a snapshot at the year end. Employer contributions are determined by a tri-annual valuation of the scheme and result in the deficit being reduced over a much longer period. This does not represent an immediate call on the resources of the Group and does not, of itself, create a material uncertainty over going concern.

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

EXETER COLLEGE

Notes to the Financial Statements (continued) **For the year ended 31 July 2020**

Recognition of income

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

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 Skills 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 at the end of November following the year end. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

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

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

Income from Nursery fees and other commercial income streams are recognised in the period for which they are received.

Income from grants, contracts and other services rendered is included to the extent that conditions of the funding have been met, or the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the Statement of Comprehensive Income and Expenditure in the period in which it is earned.

Accounting for post-employment benefits

Post employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded.

Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the College 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 scheme and the contributions recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in other comprehensive income.

EXETER COLLEGE

Notes to the Financial Statements (continued) **For the year ended 31 July 2020**

Short term Employment benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's Statement of Comprehensive Income and Expenditure in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet issued with the annual accounts direction.

Non-Current Assets - Tangible fixed assets

Land and buildings

Land and buildings inherited from the local education authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 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 capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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 College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment.

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 2020. 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 it is charged to the Statement of Comprehensive Income and Expenditure in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance

EXETER COLLEGE

Notes to the Financial Statements (continued) **For the year ended 31 July 2020**

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation. All equipment is depreciated over its useful economic life as follows:

- Motor vehicles and general equipment – between 3 and 5 years on a straight-line basis
- Computer equipment – 3 years on a straight-line basis

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Investments

Investments in subsidiaries are carried at historical cost less any provision for impairment in Individual financial statements. The results of Exeter College Apprentices have not been consolidated in these financial statements as it is not considered material.

Leased assets

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

Maintenance of premises

The cost of routine corrective maintenance is charged to the Statement of Comprehensive Income and Expenditure in the period in which it is incurred.

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.

Debt and Borrowings

The College recognises loan balances upon receipt of the loan and reduces the balances in line with debt repayments. All interest payments are recognised in the year of payment.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

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

EXETER COLLEGE

Notes to the Financial Statements (continued) **For the year ended 31 July 2020**

from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature. The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Cash and Cash equivalents

Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event and 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.

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 Statement of Comprehensive Income and Expenditure, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of Learner Support Fund applications and payments.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key source of estimation uncertainty

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

EXETER COLLEGE

Notes to the Financial Statements (continued)
For the year ended 31 July 2020

2 Funding body grants

	2020	2019
Group and College	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency – adult education budget	1,006	920
Education and Skills Funding Agency – 16 -18	25,558	24,929
Education and Skills Funding Agency - apprenticeships	6,279	6,089
Office for students	314	370
Specific grants		
Teacher Pension Scheme contribution grant	935	-
Releases of government capital grants	393	393
Total	34,485	32,701

3 Tuition fees and education contracts

	2020	2019
Group and College	£'000	£'000
Adult education fees	1,474	1,852
Apprenticeship employer fees and contracts	75	185
Fees for FE and HE loan supported courses	2,061	2,657
International students' fees	472	447
Total tuition fees	4,083	5,141
Education contracts	38	59
Total	4,120	5,200

3a OFS Income	2020	2019
Group and College	£'000	£'000
Grant income from the Office for Students	314	370
Fee income for taught awards	2,124	2,721
Total	2,438	3,091

Notes to the Financial Statements (continued)

For the year ended 31 July 2020

4 Other grants and contracts	Y/end 31 July		Y/end 31 July	
	2020	2020	2019	2019
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Coronavirus Job Retention Scheme grant	121	63	-	-
	<u>121</u>	<u>63</u>	<u>-</u>	<u>-</u>

The corporation furloughed a small proportion of staff directly associated with wholly Commercial activities of the group, under the government's Coronavirus Job Retention Scheme. The funding received of £121k relates to staff costs which are included within the staff costs note below as appropriate.

5 Other income

	2020	2020	2019	2019
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	597	597	930	930
Other income generating activities	1,936	2,257	2,409	2,409
Exam Fees	43	43	51	51
Rent Receivable	38	38	83	83
Day nursery income	672	0	344	344
Hairdressing	10	10	19	19
Total	3,296	2,945	3,836	3,836

6 Investment income

	2020	2019
	£'000	£'000
Other interest receivable	43	39

Notes to the Financial Statements (continued)
For the year ended 31 July 2020

7 Staff costs – Group and College

The average number of persons (including key management personnel) employed by the college during the year, described as headcount, was:

	2020	2020	2019	2019
	Headcount	FTE	Headcount	FTE
	No.	No.	No.	No.
Teaching staff	971	597	958	602
Non-teaching staff	172	137	160	146
	1,143	734	1,118	748

Staff costs for the above persons

	2020	2019
	£'000	£'000
Wages and salaries	21,945	21,998
Social security costs	1,902	1,898
Other pension costs	5,743	4,851
Payroll sub total	29,590	28,747
Restructuring costs – Contractual	42	55
Total Staff costs	29,632	28,802

8 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the college leadership team which is comprised of the Principal and Vice Principals.

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

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

	2020	2019
	No.	No.
The number of key management personnel including the Accounting Officer was:	4	4

The number of key management personnel and other staff who received annual emoluments, excluding employer contributions to national insurance and pensions but including benefits in kind, expressed on an FTE basis, in the following ranges was:

EXETER COLLEGE

Notes to the Financial Statements (continued)
For the year ended 31 July 2020

	Senior Post-holders		Other staff	
	2020	2019	2020	2019
	No.	No.	No.	No.
£60,001 to £70,000 p.a.	-	1	5	5
£70,001 to £80,000 p.a.	-	-	2	2
£80,001 to £90,000 p.a.	1	-	-	-
£90,001 to £100,000 p.a.	-	1	-	-
£100,001 to £110,000 p.a.	1	1	-	-
£120,001 to £130,000 p.a.	-	-	-	-
£130,001 to £140,000 p.a.	-	-	-	-
£140,001 to £150,000 p.a.	-	-	-	-
£150,001 to £160,000 p.a.	-	-	-	-
£160,001 to £170,000 p.a.	-	1	-	-
£170,001 to £180,000 p.a.	1	-	-	-
	3	4	7	7

Key management personnel compensation is made up as follows:

	2020	2019
	£'000	£'000
Basic salary	454	462
Performance related pay and bonus		
Benefits in kind	3	3
Employers National Insurance	57	58
Pension contributions	96	71
Total key management personnel compensation	610	594

The above compensation includes amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2020	2019
	£'000	£'000
Basic salary	173	167
Other including benefits in kind	1	1
Pension contributions	40	27
	214	195

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future.

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

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

The calculation of median staff salary for the purpose of the ratio's below has excluded Agency costs and any bonus payments made to staff during the year.

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

	2020 £'000	2019 £'000
Principal's basic salary as a multiple of the median of all staff	6.6	6.0
Principal and CEO's total remuneration as a multiple of the median of all staff	6.9	6.1

The members of the Corporation did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Those Governors which are also staff members of the corporation were not paid for their role as Governor.

9 Other operating expenses

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Teaching costs	3,910	3,856	4,620	4,620
Non-teaching costs	3,174	3,157	4,344	4,344
Premises costs	2,466	2,466	2,646	2,646
Total	9,550	9,480	11,610	11,610

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

Other operating expenses include:	2020	2019
	£'000	£'000
Auditors' remuneration:		
Financial statements audit*	23	22
Other services provided by the financial statements auditor	6	5
Internal audit fees**	9	18
Losses on disposal of non-current assets	6	-
Hire of assets under operating leases	248	118
	<hr/>	<hr/>

* includes £22,500 in respect of the college (2019: £22,062)

** includes £9,000 in respect of the college (2019: £18,000)

9a. Access and participation spending

	2020
	£'000
Access Investment	17
Financial support to students	2
Disability support*	24
Research and evaluation	4
Total	<hr/> 47 <hr/>

* The £24k Disability support costs relate to the salary of the Disability Support Advisor

10 Interest and other finance costs – Group and College

	2020	2019
	£'000	£'000
On bank loans, overdrafts and other loans:	340	371
	<hr/> 340	<hr/> 371
Net interest on defined pension liability (note 24)	571	585
	<hr/> 571	<hr/> 585
Total	<hr/> 911 <hr/>	<hr/> 956 <hr/>

EXETER COLLEGE**Notes to the Financial Statements (continued)**
For the year ended 31 July 2020**11 Taxation – College only**

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

12 Tangible fixed assets (Group)

	Land and buildings	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2019	75,804	4,782	3,572	84,158
Additions	295	390	5,716	6,401
Disposals	(35)	(59)	-	(94)
Transfers	2,945	99	(3,044)	-
At 31 July 2020	79,009	5,212	6,244	90,465
Depreciation				
At 1 August 2019	29,484	3,439	-	32,923
Charge for the year	2,024	520	-	2,544
Disposals	(29)	(58)	-	(87)
At 31 July 2020	31,479	3,901	-	35,380
Net book value at 31 July 2020	47,530	1,311	6,244	55,085
Net book value at 31 July 2019	46,320	1,343	3,572	51,235

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

12 Tangible fixed assets (College only)

	Land and buildings	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2019	75,804	4,782	3,572	84,158
Additions	295	360	5,715	6,370
Disposals	(35)	(59)	-	(94)
Transfers	2,945	65	(3,044)	(34)
At 31 July 2020	79,009	5,148	6,243	90,400
Depreciation				
At 1 August 2019	29,484	3,439	-	32,923
Charge for the year	2,024	507	-	2,531
Elimination in respect of disposals	(29)	(58)	-	(87)
At 31 July 2020	31,479	3,888	-	35,367
Net book value at 31 July 2020	47,530	1,260	6,243	55,033
Net book value at 31 July 2019	46,320	1,343	3,572	51,235

Inherited land and buildings were valued at incorporation at depreciated replacement cost by Devon County Council Surveyors Department.

Land and buildings with a net book value of £32,971k have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Funding Body, to surrender the proceeds.

13 Investments

	College 2020 £'000	College 2019 £'000
Investments in subsidiary companies cost b/fwd	205	205
Impairment charge	(205)	-
Total	-	205

EXETER COLLEGE

Notes to the Financial Statements (continued)

For the year ended 31 July 2020

13 Non-current investments (continued)

The College owns 100% of the issued ordinary £1 shares of Aplus Training (SW) Limited which remained dormant throughout the year and Exeter College Apprentices Limited which became dormant before the end of financial year. The investment in Exeter College Apprentices Limited was fully impaired at the year end. The third wholly owned subsidiary is Exeter College Services Limited (formally Ecole Limited). The principal activity of Exeter College Services Limited during the period was that of the provision of Nursery services. This company commenced trading on 1 August 2019.

14 Trade and other receivables

	Group	College	Group	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	268	340	500	500
Prepayments and accrued income	1,851	1,843	835	835
Total	2,119	2,183	1,335	1,335

15 Creditors: amounts falling due within one year

	Group	College	Group	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	761	761	741	741
Payments received in advance	146	128	239	239
Trade payables	538	530	868	868
Amounts owed to group undertakings:				
Subsidiary undertakings	-	6	-	-
Other taxation and social security	470	463	516	516
Deferred income	1,785	1,775	1,388	1,388
Accruals	2,853	2,839	1,982	1,982
Deferred income - government capital grants	590	590	393	393
Total	7,143	7,092	6,127	6,127

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

16 Creditors: amounts falling due after one year

	Group	College	Group	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Bank loans	6,778	6,778	7,539	7,539
Capital grant liability	91	-	-	-
Deferred income - government capital grants	14,258	14,258	9,889	9,889
Total	21,127	21,036	17,428	17,428

17 Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Group and College	
	2020	2019
	£'000	£'000
In one year or less	761	741
Between one and two years	2,945	761
Between two and five years	1,240	3,772
In five years or more	2,593	3,007
Total	7,539	8,281

The College currently has four bank loans:

- The first loan (capital outstanding at 31 July 2020: £2,879k) is unsecured and is repayable over a period of 15 years. The loan is being repaid in 56 quarterly instalments, the first being paid in October 2007. The interest on the loan has been fixed for a period of 15 years at 5.615% per annum.
- The second loan (capital outstanding at 31 July 2020: £1,813k) is repayable over 16 years from July 2011, in 56 quarterly instalments following a 2 year initial capital repayment holiday. The Interest rate has been fixed at 4.0375% per annum.
- The third loan (capital outstanding at 31 July 2020: £370k) is initially for 5 years from July 2011, with the option to extend to 20 years with an initial 2 year capital repayment holiday. Repayments have been geared to an 18 year repayment term with the interest rate charged at 1.65% above LIBOR.
- The College converted an additional unsecured loan in 2016 from an initial loan on a revolving credit facility. This loan totalled £3,000,000 and was converted in July 2016 on a fixed rate for 14 years 10 months with the option to extend to 23 years at a variable rate. Capital outstanding at 31 July 2020 was £2,478k.

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

18 Provisions for liabilities and charges

	Group and College		Total
	Defined benefit obligations	Enhanced pensions	
	£'000	£'000	£'000
At 1 August 2019	25,841	1,160	27,001
Expenditure in the period			
Indexation/interest	(408)	23	(385)
Current service cost	2,629	(96)	2,533
Actuarial valuation loss/(gain)	12,018	119	12,137
Additions in period	-	-	
At 31 July 2020	40,080	1,206	41,286

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. Further details are given in note 24.

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

The principal assumptions for this calculation are:

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

19 Cash and cash equivalents

	At 1 August 2019	Cash flows	Other changes	At 31 July 2020
	£'000	£'000	£'000	£'000
Cash and cash equivalents	6,791	1,662	-	8,453
Total	6,791	1,662	-	8,453

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

20 Capital and other commitments

	Group and College	
	2020	2019
	£'000	£'000
Commitments contracted for at 31 July	9,409	10,849

Capital Commitments include £7m relating to the new Institute of Technology project, £2.4m of which will be funded as part of the Government's IOT scheme and £2.4m relating to the T-Level project, £1.5m of which will be funded as part of the Government's T-Level scheme.

21 Lease obligations

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

	Group and College	
	2020	2019
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	94	128
Later than one year and not later than five years	80	164
Later than five years	-	-
	<u>174</u>	<u>292</u>
Other		
Not later than one year	2	2
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>2</u>	<u>2</u>

22 Contingent liabilities

There are no contingent liabilities.

23 Events after the reporting period

There are no post balance sheet events to report.

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

24 Defined benefit obligations

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

Total pension cost for the year	2020	2019
	£'000	£'000
Teachers' Pension Scheme: contributions paid	3,070	2,160
Local Government Pension Scheme:		
Contributions paid	979	1,004
FRS 102 (28) charge	1,650	1,661
Charge to the Statement of Comprehensive Income	2,629	2,665
Enhanced pension charge to Statement of Comprehensive Income	23	26
Total Pension Cost for Year within staff costs	5,722	4,851

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2019.

Contributions amounting to £372k (2019: £293k) were payable to the Teachers' Pension scheme and are included in creditors.

Contributions amounting to £112k (2019: £117k) payable to the Local Government Pension scheme are included in creditors.

Notes to the Financial Statements (continued)

For the year ended 31 July 2020

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

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

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

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

Valuation of the Teacher's Pension Scheme

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

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

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

The pension costs paid to TPS in the year amounted to £4,209,117 (2019: £3,285,829)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds administered by Devon County Council. The total contribution made for the year ended 31 July 2020 was £1,379,000 of which employer's contributions totalled £980,000 and employees' contributions totalled £399,000. The agreed contribution rates for future years are 13.2% for employers and 5.5% to 12.5% for employees according to a national scale.

EXETER COLLEGE

Notes to the Financial Statements (continued) For the year ended 31 July 2020

24 Defined benefit obligations (continued)

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

	At 31 July 2020	At 31 July 2019
Rate of increase in salaries	3.20%	3.85%
Future pensions increases	2.20%	2.35%
Discount rate for scheme liabilities	1.40%	2.15%
Inflation assumption (CPI)	2.20%	2.35%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 July 2020	At 31 July 2019
<i>Retiring today</i>		
Males	22.90	22.50
Females	24.10	24.40
<i>Retiring in 20 years</i>		
Males	24.30	24.10
Females	25.50	26.20

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

	Value at 31 July 2020 £'000	Value at 31 July 2019 £'000
UK Equities	4,324	5,670
Overseas Equities	15,833	15,227
Gilts	1,276	1,236
Property	2,785	2,965
Infrastructure	1,442	1,264
Other Bonds	1,625	641
Target Return		
Portfolio	4,357	4,793
Cash	389	582
Alternative Assets	2,193	1,800
Private Equity	-	577
Total fair value of plan assets	34,224	34,755
Weighted average expected long term rate of return	1.40%	2.15%
Actual return on plan assets	(40,080)	(25,841)

EXETER COLLEGE**Notes to the Financial Statements (continued)****For the year ended 31 July 2020****24 Defined benefit obligations (continued)**

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

	2020	2019
	£'000	£'000
Fair value of plan assets	34,224	34,755
Present value of plan liabilities	(74,304)	(60,596)
Net pensions (liability)/asset (note 18)	(40,080)	(25,841)

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

	2020	2019
	£'000	£'000
Amounts included in staff costs		
Current service cost	(2,629)	(2,471)
Past service cost	-	(194)
Total	(2,629)	(2,665)

Amounts included in investment income

Net interest income	(571)	(585)
	(571)	(585)

Amount recognised in Other Comprehensive Income

Return on pension plan assets	(1,914)	1,399
Experience losses arising on defined benefit obligations	(1,827)	-
Changes in assumptions underlying the present value of plan liabilities	(8,277)	(3,237)
Enhanced pension (loss)/gain	(119)	(105)
Amount recognised in Other Comprehensive Income	(12,137)	(1,943)

EXETER COLLEGE

Notes to the Financial Statements (continued)
For the year ended 31 July 2020

24 Defined benefit obligations (continued)

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

	2020	2019
	£'000	£'000
Net defined benefit (liability)/asset in scheme at 1 August	(25,841)	(21,757)
Movement in year:		
Current service cost	(2,629)	(2,665)
Employer contributions	979	1,004
Past service cost	-	-
Net interest on the defined (liability)/asset	(571)	(585)
Actuarial gain or loss	(12,018)	(1,838)
Net defined benefit (liability)/asset at 31 July (note 18)	(40,080)	(25,841)

Asset and Liability Reconciliation

	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	60,596	53,775
Current service cost	2,629	2,471
Interest cost	1,297	1,418
Contributions by Scheme participants	399	414
Experience gains and losses on defined benefit obligations	1,827	-
Changes in financial assumptions	9,903	6,587
Changes in demographic assumptions	(1,364)	(3,350)
Estimated benefits paid	(983)	(913)
Past Service cost	-	194
Defined benefit obligations at end of period	74,304	60,596

Changes in fair value of plan assets

	2020	2019
	£'000	£'000
Fair value of plan assets at start of period	34,755	32,018
Interest on plan assets	751	855
Return on plan assets	(1,914)	1,399
Other Actuarial Loss	262	-
Administration expenses	(25)	(22)
Employer contributions	979	1,004
Contributions by Scheme participants	399	414
Estimated benefits paid	(983)	(913)
Fair value of plan assets at end of period	34,224	34,755

Notes to the Financial Statements (continued)
For the year ended 31 July 2020

24 Defined benefit obligations (continued)

The 2019 accounts show a past service cost of £230 million in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is just under 2% of the total scheme liability as at 31 July 2020. The calculation of adjustment to past service costs, £7 billion, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.

25 Related party transactions

Owing to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. There were no transactions that require disclosure under FRS102.

26 Amounts disbursed as agent - Learner support funds

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

During the year a total of £854k (2019: £805k) was received by the ESFA as Bursary payments and subsequently distributed back to students. At the end of July 2020 there was a remaining balance of £100k (2019: £0k) which is shown under creditors.