



## **BURY COLLEGE**

**Annual Report and Financial Statements  
for the year ended 31 July 2021**

*Excellent Outcomes  
Positive Futures*

**A Good College with a proven track record of  
achievement**

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**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****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 2020/2021:

Charlie Deane (Principal and Chief Executive); Accounting Officer  
 Andrew Harrison (Deputy Principal, Finance and Corporate Services)  
 Becky Tootell (Deputy Principal, Curriculum & Quality)  
 Jacqui Taylor (Curriculum Director of Creative and Service Industries)  
 Vernon Shaw (Curriculum Director of Technologies and Sport)  
 Paul Maykels (Director of Communication and Development)  
 Fazal Ahmed (Director of IT Services and Estates)  
 Alison Wood (Director of Planning and Information Services)  
 Lisa Woodman (Director of Human Resources and Customer Services)  
 Michael Fordham (Curriculum Director A Level and Science)  
 Sarah Walton (Director of Personal Development)  
 Lisa Matthews (Curriculum Director of Adult Learners)

**Board of Governors**

A full list of Governors is given on Pages 17 and 19 of these Financial Statements.

**Registered office**

Market Street  
 Bury  
 BL9 0BG

**Clerk**

Peter Ryan, PR Management Solutions.

**Professional advisers**

**Financial statement and regularity auditors:** Appointed by the Corporation on 2<sup>nd</sup> July 2019 for a 5-year period commencing on 1st August 2019, subject to satisfactory performance.

Grant Thornton UK LLP  
 4 Hardman Square  
 Spinningfields  
 Manchester  
 M3 3EB

**Internal auditors:** Appointed by the Corporation on 2nd July 2019 for a 5-year period commencing on 1st August 2019, subject to satisfactory performance.

RSM  
 9<sup>th</sup> Floor  
 3 Hardman Street  
 Manchester  
 M3 3HF

**Bankers:**

Barclays Bank Plc  
 1<sup>st</sup> Floor  
 3 Hardman Street  
 Spinningfields  
 Manchester  
 M3 3HF

**Solicitors:**

Mills & Reeve  
 1 New York Street  
 Manchester  
 M1 4AD

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****REPORT OF THE GOVERNING BODY**

Burnetts  
Victoria House  
Wavell Drive  
Rosehill  
Carlisle  
CA1 2ST

Employment only

**OBJECTIVES AND STRATEGY**

Bury College is one of the leading Further Education Colleges in the sector providing general and specialist education, skills and training for a wide range of clients. In 2020/21 Bury College helped over 10,000 individuals secure their future through examination success, pathways to higher education or employment and greater skills for life and work.

The Members of the Corporation present their report and the audited financial statements for the year ended 31 July 2021.

**Legal Status**

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

**Mission, Vision, Strategy and Objectives**

Governors scrutinised and reviewed the College Mission, Vision, Values and Strategic Priorities at a Strategic Planning meeting on 4<sup>th</sup> May 2021. The Strategic Plan was further reviewed and agreed at a meeting of the Corporation on 29<sup>th</sup> June 2021.

**Our Vision**

- Excellent Outcomes and Positive Futures.

**Our Mission:**

- Serving the community through Education and Training.

**Our Values**

- Openness
- Supportive
- Inclusive
- Adoptive
- Continuous Improvement
- Empowerment

**Our Strategic Priorities***Curriculum*

Offer a rich, diverse, career-focussed curriculum that responds to the needs of our learners and employers.

*Teaching, Learning and Assessment*

Continuously develop teaching, learning and assessment that enables our learners to achieve excellent Outcomes: the skills and attitudes to excel in their future career.

*Human Resources*

Attract, develop and retain the best staff to deliver excellence for our learners.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).***Resources*

Invest in our curriculum and enhance the learner experience and outcomes through effective and efficient use of resources.

*Partnership and Reputation*

Be the education and training provider of choice for the communities we serve.

*Coronavirus infection*

Follow government guidelines to ensure that the College has robust Covid-19 control measures for the safety of learners and staff.

**Resources**

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

***Fixed Assets***

The College is located along Market Street in Bury Town Centre. Its key facilities include the A Level Centre at the Woodbury Campus, the Prospects Centre for Foundation Studies, a number of vocationally specific buildings on the Millennium Campus, the University Centre and the Sports Centre. The College also co-locates with PowerLeague and Fisherfield Nursery.

***Financial***

The College has £14,675,000 of net assets (after £23,685,000 pension liability) (2020: £12,100,000 after £24,293,000 pension liability), bank debt of £1,818,000 (2020: £2,045,000) and cash of £11,219,000 (2020: £6,704,000).

***People***

The College employs 528 people, of whom 269 are teaching staff.

***Students***

In 2020/2021 Bury College enrolled 3,528 16-18 year olds funded by the ESFA. In 2020/21 the College received lagged funding for 3,434 FTE students based on the previous year's enrolment. This compares with funding of 3,648 FTE students in 2019/20. In addition we receive funding for 16-18 and Adult Apprentices, and Adult learners.

**Stakeholder Relationships**

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

- students;
- funding councils;
- staff and trade unions;
- local employers (with specific links);
- local authorities;
- Greater Manchester Combined Authority;
- the local community;
- other FE institutions;
- trade unions; and
- professional bodies.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).****Public Benefit**

Bury 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 pages 17 and 19.

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.

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 Greater Manchester Combined Authority and Bury Council

**DEVELOPMENT AND PERFORMANCE****Financial Results**

The College has produced a strong financial performance and continues to be assessed as having outstanding financial health. The College enrolled more students and has produced an improved financial outturn as well as generating more cash than last year. It has improved its cost efficiency and made some one-off operating savings as a result of the Covid-19 lockdown.

The College generated income of £29,760,000 in 2020/21, an increase of 7% when compared to £27,782,000 in 2019/20. Income levels are higher due to revenue funding for condition improvement and support funding for Covid-19.

The College generated an operating surplus in the year of £180,000 which includes restructuring costs of £30,000 and a FRS102 pension adjustment of £1,808,000 (2019/20: £1,837,000) resulting in an underlying surplus before pension adjustments and restructuring costs of £2,018,000 (2019/20: £1,837,000). The College has consolidated accumulated reserves of £14,675,000 (2019/20: £12,100,000) and cash balances of £11,219,000 (2019/20: £6,704,000)

Tangible fixed asset additions during the year amount to £1,849,000.

**Cash Flows and Liquidity**

A cash-inflow of £4,041,000 (2019/20 £3,008,000) was generated through operating activities and the College remains in a strong cash position.

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

**Group Companies**

The College had one subsidiary company, Bury College Enterprises Limited. The company was incorporated as a design and build company, it then ceased to trade. Companies house were informed in May 2021 to strike off and make dormant

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).**

The College is the sponsor of Bury College Education Trust. This is a multi-Academy Trust which includes Radcliffe Primary School from 1<sup>st</sup> January 2014 and Elton Community Primary School from 1<sup>st</sup> September 2014.

**CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE****Future developments****Property Strategy**

The College is taking the opportunity provided by its strong financial operating performance and increased grant opportunities to invest in improving the Estate. It is progressing the building of a new Health & Life Sciences building part funded by the Greater Manchester Combined Authority and Department for Education T Level capital. It is also carrying out remedial works and refurbishment part-funded by T Level Capital Grants.

**Financial Health and Financial Plan**

The College has self-assessed 'Outstanding' Financial Health as confirmed by using the ESFA methodology. This position is due to a strong liquidity position and underlying surplus after pension adjustments. The College governors approved a Financial Plan in July 2021 which set objectives for the period 2021/22. The College did incur significant costs of further virus control measures in 2020/21, as well as achieving less apprenticeship income due to the Covid-19 situation. It has, however, offset these costs with other efficiencies. For the coming year, 2021/22, the College is currently planning to deliver its budgeted operational performance and maintain outstanding financial health.

**Treasury policies and objectives**

The College has a separate treasury management policy in place.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and complies with the requirements of the Funding Agreement.

**Total Reserves**

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. The College reserves include £109,000 held as restricted reserves (2020:£109,000). As at the balance sheet date the Income and Expenditure reserve stands at £10,799,000 (2020: £8,167,000). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses. The increase in the Income & Expenditure Reserve is due to the actuarial gain of £2,395,000 (2019/20: £7,947,000 loss) in respect of the Greater Manchester Pension Fund scheme.

**Sources of Income**

The College, like other colleges in the Further Education sector, has significant reliance on the ESFA for its principal funding source, largely from the recurrent grants. In 2020/2021, the ESFA provided 75% of the College's total income.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).****Streamline Energy and Carbon Reporting**

The College is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- Measure 1  
Introduced a higher specification (SFG20) for the maintenance of all electrical and gas assets
- Measure 2  
Carried out an air conditioning energy efficiency inspection (TM44) and taken appropriate recommended improvement actions

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

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>1 August 2020 to 31 July 2021</b>	<b>1 August 2019 to 31 July 2020</b>
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Energy consumption used to calculate emissions  
(kWh)

Gas	4,108,650	3,264,385
Electricity	2,209,725	2,150,425

Scope 1 emissions in metric tonnes CO<sub>2</sub>e

Gas consumption	752	600
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Scope 2 emissions in metric tonnes CO<sub>2</sub>e

Purchased electricity	469	501
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The chosen intensity measurement ratio for both Gas and electricity is CO<sub>2</sub>e per staff member

Metric tonnes CO <sub>2</sub> e per staff	2.32	2.11
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**Qualification and reporting methodology**

We have followed the relevant 2020 and 2021 UK Government Greenhouse gas conversion factors for company reporting.

**Intensity ratio**

The chosen intensity measurement ratio is CO<sub>2</sub>e per staff member

**Future developments**

The college plans to invest in upgrading its Building Management System (BMS) software. This will allow greater visibility, monitoring and control over its carbon emitting energy systems.



**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).****Principal Risks and Uncertainties**

Based on the strategic plan, each year the College Leadership Team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the College. The internal mitigating 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 Leadership Team considers any risks which may arise as a result of a new area of work being undertaken by the College or changes to the external environment.

A College risk register is discussed and approved by the Audit Committee approve it and receive a termly review. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The High Risks are identified and managed through a High Risk Register. On a termly basis, the Audit Committee review the high risk action plan to ensure that actions have been implemented and have proved effective. This is supported by a risk management training programme to raise awareness of risk throughout the College.

At the start of 2020/21 ten key High Risks were identified of which the mostly closely managed were:

Failure to prevent a Coronavirus epidemic amongst staff and students that: partially or fully closes the College; has an adverse impact on the health of staff / students; and / or learners not achieving their qualifications.

Failure to maintain good IT Disaster Recovery Plans and cyber security as part of robust Business Continuity Plans in light of determined and frequent cyber-attacks.

To manage the overriding risk of Coronavirus, the College followed government guidelines and continued with robust risk assessments for staff and students with effective control measures including hygiene measures, social distancing, intensive cleaning, and testing. The Governors received regular communication on the impact on the quality of educational delivery and the health and welfare of students and staff

**Key Performance Indicators**

The College's key performance indicators, targets and results are set out below. The College recruited more students in 2020/21 and maintained good achievement rates and quality. It was able to become more cost efficient and the Covid-19 situation led to net savings on operating costs. The improved financial performance and the delayed capital project and timing differences in relation to the capital grant receipts and related expenditure resulted in an even stronger liquidity.

<b>Key Performance Targets</b>	<b>Measure / Target</b>	<b>Actual for 2020 / 2021</b>
Student number target (16-18 Full time)	3648	3,528
Student achievement	87%	Up to 88.7%
Operating Surplus / EBITDA as % of income	10%	11%
Current Ratio	3.67:1	4.65:1
OfSTED	Good	Good

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).****Student Achievement**

2020/21 was again affected by Covid-19 situation and predicted grades. The overall achievement rate was predicted to be above 85.1% and 88.7% in 2020/21 compared with above 87% in 2019/20.

**Reputation**

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and developing external relationships. In delivering substantially all of its key funding targets, Bury College has shown once again its reputation for resilience, responsiveness and real success for learners.

**The Financial Objectives**

The College's strategic financial objectives are to:

- Maintain a sound financial base (solvency and liquidity)
  - Improving financial management;
- Strengthen procedures for testing the desirability and affordability of new
- Delivering post-implementation review procedures to assess the impact of large projects;
  - Maintaining the confidence of the Education and Skills Funding Agency (ESFA), suppliers and professional advisers;
  - Raising awareness of financial issues with all staff;
  - Improving the College estate and equipment facilities by generating sufficient funds to reinvest.

**Quality of Education**

Bury College has been nationally recognised as a GOOD college in the Ofsted inspection in September 2018.

The Ofsted report highlights the positive practices which are taking place across the college, particularly commending the 'very effective support from teaching staff'. The result recognises the good behaviour which takes place inside and outside of the classroom contributing to 'a welcoming and harmonious college environment.'

Highlights from the report include the following:

- 'The proportion of students who successfully achieve their qualifications is high'
- 'The vast majority of students progress to further or higher education or employment, or start an apprenticeship on completion of their studies'
- Students on 16 to 19 study programmes benefit from highly effective and meaningful work experience and work-related learning that prepare them for further study, employment or starting an apprenticeship'
- 'Students develop effectively their personal, social and employability skills'
- 'Students and apprentices enjoy being at college and take pride in their work'
- 'Students and apprentices behave well in college, contributing to a welcoming and harmonious college environment'

The report confirms the good quality of teaching, learning and assessment and praises leaders for nurturing 'very effective partnerships with key stakeholders to ensure that the curriculum reflects regional skill priorities'.

The report grades Apprenticeships as 'Requires Improvement' as it identifies that too few apprentices complete their qualification on time or make the progress of which they are capable. The College continues to work to improve the Apprenticeship provision.

During 2020/21, the college has continued to make good progress against the of Areas for Improvement reported by OfSTED. For 2020/21, the college has self-assessed as GOOD across all Key Judgements and Types of Provision including Apprenticeships.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).****Curriculum developments**

The needs of our students and the demands of current and future employers are continually changing. Bury College regularly reviews its curriculum in order to provide students with skills advantages for progressing into jobs or continuing their education. Curriculum developments for the future include the introduction of new industry-relevant subjects, with an eye on future jobs and careers. This will be complemented by the broad range of Academic and Vocational subjects that the College is already positively recognised for.

**Higher Education**

Bury College works in partnership with the University of Huddersfield, the University of Bolton, the University of Cumbria, the University of Salford and Pearson to deliver a range of higher education courses at HND, Foundation Degree and Degree level to the local community.

The majority of programmes are funded directly, resulting in the College receiving the tuition fee directly from the Student Loan Company.

The College will continue to increase the range of directly funded programmes, which meets the needs of the local communities and employers.

Bury College was awarded Silver against the Higher Education Teaching Excellence Framework (TEF) in 2018. The TEF is currently under review nationally. Providers will continue to hold TEF awards until outcomes of the review, however from September 2021 they will no longer be promoted.

**Students with learning difficulty or disability provision**

Working in partnership with Local Authorities, the College has been able to teach and support young people with learning difficulties at the College in an inclusive and supportive but non-residential environment. As with other students, the aim is for these students to progress to further education or into employment.

**FE Loans – Advanced Learning Loans**

The Education and Skills Funding Agency does not fund all Level 3 and Level 4 courses where the learner is aged 19 and over when the course commences (except Apprenticeships). The learner may be required to pay the tuition fee in full. Learners may be eligible for an Advanced Learner Loan from the Student Loan Company to pay all or part of their fees in which case the loan is paid directly to the College.

**T-Levels**

Bury College has worked closely with the government and local employers to develop new T Level provision for 2021. Three T Level opportunities will commence September 2021 in Digital, Health and Education & Childcare, with a further four T Levels to be introduced from September 2022. These two-year full-time courses, funded by the Education Skills Funding Agency, have been developed in collaboration with businesses so that content meets the needs of industry and prepares students for work or further training. The College has received capital funding from the Department for Education to support refurbishment and new build for T Levels, as well as funding for T Level equipment. The Woodbury Centre ground floor is being refurbished for delivery of Education & Childcare T Levels from Autumn 2021. Digital and Health T Levels form part of the College's new build Health Innovation STEM Centre, due to open Autumn 2022.

**Level 3 Lifetime Skills Guarantee**

This is a relatively new fully funded offer for adults aged 24+ to study for their first full work-focused qualification at level 3; in the workplace learning and/or Continued Professional Development (internal/external). As well as providing meaningful progression options for current/previous L2 successful distance learners and completing Apprentices. There were 16 Level 3 enrolments made in the initial enrolment window in 2020/21.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).****Kickstart scheme**

The College started delivering on the programme from May 2020. It supports unemployed young people and adults to re-enter the job market. Kickstart is comprehensive training and education offer with a strong emphasis on work experience and wraparound employability skills with pastoral and other support available alongside.

**Equality**

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

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

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

The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out as part of the induction process.

**Gender Pay Gap Reporting**

Total Hrly Rate Male	£2,797.34
Mean Hrly Rate Male	£16.95
Total Hrly Rate Female	£5,427.24
Mean Hrly Rate Female	£14.99
Difference in rates	£1.96
<b>Mean Gender Pay Gap</b>	<b>11.57%</b>
Median Male rate	£16.47
Median Female rate	£14.27
Difference	£2.20
<b>Median Gender Pay Gap</b>	<b>13.36%</b>

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).**

<b>Lower Quartile</b>	<b>Lower Middle Quartile</b>	<b>Upper Middle Quartile</b>	<b>Upper Quartile</b>
Female 75.0%	Female 77.3%	Female 65.9%	Female 56.5%
Male 25.0%	Male 22.7%	Male 34.1%	Male 43.5%

**Disability statement**

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

- a) As part of its accommodation strategy the College has completed access audits with the aim of improving areas.
- b) There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
- 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 compliments and complaints policy.
- d) The College has made a significant investment in the appointment of specialist SEND advisory tutors to support students with learning difficulties and/or disabilities. There are a number of education support workers who provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- 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 Guide, 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.

<b>Numbers of employees who were union officials during the relevant period</b>	<b>FTE employee number</b>
3	2.7

<b>Percentage of time</b>	<b>Number of employees</b>
0%	0
1-50%	3
51-99%	0
100%	0

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).**

Total cost of facility time	£6,895
Total pay bill	£18,226,412
Percentage of total bill spent on facility time	0.04%
Time spent on paid trade union activities as a percentage of total paid facility time	128.85%

**Going concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in this report of the Governing Body. The financial position of the College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College primarily meets its day to day working capital requirements through cash generated from its day to day operations. It also has a fixed loan facility loan with Barclays Bank plc, which at 31 July 2021 had a balance of £1.818 million due for repayment over a remaining period of 8 years.

The College has implemented strong Covid-19 control measures and robust risk assessments. It has been able to open to all students with at least 80% face-to-face attendance. The College is in dialogue with the local authority public health team and reports and isolates all infections.

Having reviewed budgets and forecasts, the Corporation have a reasonable expectation that the College has sufficient resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

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. The College is budgeting for a strong underlying surplus that can withstand further pressure. The majority of additional costs due to the continuing Covid-19 situation are not expected to be as high as 2020/21. The latest cash-flow return to the ESFA shows an improving liquidity position.

**Events after the end of the reporting period**

The College has returned to close to normal operating activities. As required, it has continued to provide a Covid testing centre and offered all returning students two supervised tests at the start of the first term. A further lockdown and remote learning is not anticipated but the College would be ready to change its mode of education and continue to function.

The College has not notified the ESFA of any situation that would impact on going concern. The 2020/21 budget has targeted net operating cash generation above the College's requirement for capital investment. Two year cash flow forecasts show cash lower than 40 days/£4.5 million.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Report of the Governing Body (continued).****Disclosure of information to auditors**

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

**Approved by order of the members of the Corporation on 14<sup>th</sup> December 2021 and signed on its behalf by:**



**Mr P Nicol**  
**Chair of the Corporation**

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control**

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code");
- iii. in accordance with The Colleges Senior Staff Remuneration Code; and
- iv. having due regard to the UK Corporate Governance Code 2018 insofar as it is applicable to the further education sector.

The Corporation is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice. The Colleges Senior Staff Remuneration Code was adopted by the Corporation on 26 March 2019 and was fully implemented in 2020/21.

In the opinion of the Corporation, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2021. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted in June 2015. The implementation of the Code is enshrined within key Governance Policies and Procedures including; the Instrument and Articles of Government, Members Codes of Conduct and Ethics, Standing Orders, Committee Terms of Reference, Whistleblowing Policy, Complaints Procedure and an agreed annual schedule of Corporation and Committee meetings and business items. It is recognised that the AoC has reviewed the Code and the final version will be reviewed by the Corporation in the Autumn term 2021.

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 Corporation agreed to amend the membership framework from 16 Members to 17 Members from 1 September 2018, to widen the Staff voice in the lead up to the Ofsted re-inspection. The membership framework reverted back to 16 Members from 1 January 2019 to include, 11 independent Members, the Principal, two Student Members and two Staff Members. Members who served on the Corporation during the year and up to the date of signature of the report were:



**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).****Membership of the Corporation**

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

<b>Name</b>	<b>Date of Appointment</b>	<b>Term of Office</b>	<b>Date of Resignation / End of Term of office</b>	<b>Status of Appointment</b>	<b>Committees Served</b>
Mr L Ali	18/05/94 Reappointed: 01/09/20	4 years	31/08/24	Independent Member	Audit (Chair) Search
Mr J Brown	11/12/18 Reappointed for 1 year: 01/09/20	1 year	31/05/21	Student Member	Curriculum & Quality
Mr P Bury	01/09/08 Reappointed: 01/09/21	4 years	31/08/25	Independent Member	Audit
Ms E Cowburn	01/09/20	4 Years	31/08/24	Independent Member	Curriculum and Quality
Mrs A Davies	01/09/18	4 years	31/08/22	Independent Member	Resources (Chair) Curriculum and Quality Remuneration Search
Mr C W Deane	01/05/12	N/A	N/A	Principal	Curriculum & Quality Resources Search
Miss J Frodsham	01/03/16 Reappointed 01/09/18	4 years	31/08/22	Staff Member (Academic)	Curriculum & Quality
Mr M Granby	13/05/14 Reappointed: 01/09/19	4 years	31/08/23	Independent Member	Curriculum & Quality (Part Year) Resources (Part Year)
Ms J Glazer	17/12/19	2 years	31/08/21	Student Member	Curriculum & Quality
Mrs A Holt	30/10/18	4 years	29/10/22	Staff Member (Business Support)	Audit
Mrs H Hubert	12/12/17	4 years	31/03/21	Independent Member	Curriculum & Quality
Mr J Iqbal	31/03/20	4 years	31/08/21	Independent Member	Resources
Mr P Johnson	01/05/09 Reappointed: 01/09/18	4 years	31/08/22	Independent Member	Audit
Mr P Nicol (Corporation Chair)	15/12/04 Reappointed: 01/09/18	4 years	31/08/22	Independent Member	Resources Remuneration Search (Chair)
DR Naomi Sharples	04/05/21	1 year	31/08/22	Independent Member	Curriculum & Quality
Mr P Smith	15/10/13 Reappointed: 01/09/18	4 years	31/08/22	Independent Member	Curriculum & Quality
Mr C Trees (Corporation Vice Chair)	06/07/06 Reappointed: 01/09/21	4 years	31/08/25	Independent Member	Curriculum & Quality (Chair) Remuneration (Chair) Search

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).**

The Corporation took swift steps to ensure that a high level of Corporate Governance was in place, in response to the Covid-19 Pandemic. Weekly Covid Updates were issued to Governors.

At the Corporation meeting held on 5 May 2020, Members were asked to consider whether to continue with the agreed schedule with meetings being arranged via Zoom or to establish a small temporary Governor Task and Finish Committee to take on all issues that would normally be considered by the Corporation and its Committees (other than those which could not be delegated), whilst current social distance arrangements were in place.

Members reviewed the options and agreed to continue with the agreed schedule, with meetings being arranged via Zoom. Any urgent business decisions required between meetings would be agreed in the usual way, in liaison with the Chair and Vice Chair and reported to the next Corporation meeting.

All meetings during 2020/21 were facilitated via Zoom and were quorate and agendas and reports issued in the normal way. Attendance at Corporation meetings improved by 3.08% from 78.57% in 2019/20 to 81.65% in 2020/21.

Committee meetings considered the impact of Covid and the College response, in respect of responsibilities outlined within agreed terms of reference. In particular, Governors reviewed management arrangements to address challenges raised by Covid-19 in the following areas:

- Funding at Risk due to Covid-19 Register
- Covid-19 Risk Assessment
- Increasing Attendance in FE Colleges - Checklist
- Student induction
- Staff induction
- Teaching risk assessment
- Printing risk assessment
- Ambassador induction
- Ambassador risk assessment

The Corporation has an attendance target of 75% and the percentage attendance at Board meetings in 2020/21 was 81.65%. Overall attendance at Board and Committee meetings was also 82%. Attendance at Committee meetings was: Resources 85%, Audit 87%, Curriculum and Quality 74.36%, Search 100% and Remuneration 100%.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).**

In addition to attendance at Board and Committee meetings, Members are encouraged to participate in review processes. Also Lead Governors have been appointed for Teaching and Learning and Apprenticeship provision, Safeguarding/Prevent, Higher Education and Advice and Guidance. This has enabled Members to gain a clearer understanding of current performance and challenges being addressed by the College. The Search Committee reviews individual Governor attendance and reports to the Board.

**Co-Opted Committee Members**

<b>Name</b>	<b>Date of Appointment</b>	<b>Term of Office</b>	<b>Date of Resignation / End of Term of Office</b>	<b>Committees served</b>
Ms L Vernon	07/10/14 Reappointed:01/09/2021	3 years	31/08/24	Resources (Part Year) Curriculum and Quality (Part Year)
Mr D Weidenbaum	29/09/99 Reappointed: 01/09/21	3 years	31/08/24	Audit

Peter Ryan, PR Management Solutions, was appointed as Clerk to the Corporation from 1 September 2017 and undertook the role throughout the remaining period.

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

Members of the Corporation are 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 including health and safety and environmental issues. The Corporation Board meets at least once per 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 Resources, Remuneration, Search, Audit and Curriculum and Quality. Full minutes of all Corporation and Committee meetings, except those deemed to be confidential by the Corporation, are, once approved, published on the College website and are available from the Clerk to the Corporation at:

Bury College  
Market Street  
Bury  
Lancashire  
BL9 0BG

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

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

Formal agendas, papers and reports are supplied to Corporation Members in a timely manner, prior to Corporation Board meetings. Briefings are also provided on a planned 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 or be perceived to interfere with the exercise of their independent judgement.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).**

There is a clear division of responsibility between Governance and Management and a clear distinction in that the roles of the Chair and the Principal as Accounting Officer are separate.

**Appointments to the Corporation**

The appointment of any new Members and the re-appointment of existing Members are matters for consideration by the Corporation as a whole on the advice and recommendation of the Search Committee. This Committee consists of five Members of the Corporation including the Corporation Chair, Vice-Chair, the Chairs of the Corporation's Committees and the Principal and is responsible for the selection and nomination of candidates 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 but Members who reach the end of their four-year term are eligible to be considered for re-appointment.

**Corporation Performance**

All meetings during the year were quorate. There is an annual schedule of meetings/business covering all statutory requirements. An update on the performance of the schools within the Multi-Academy Trust is received at each meeting (other than Strategic Planning meetings) of the Corporation to ensure all members are aware fully aware of the direction of travel and continuous oversight is maintained. We undertake an annual skills audit to seek to maintain a balance of skills, experience, expertise. Governors complete an annual declaration on their eligibility to serve as a Governors and complete an annual register of interests. There is a standing item on all agendas covering declarations of interest. A post-meeting evaluation form is completed after each Board and Committee meeting and action taken in response to any issues raised. Progress on the implementation of recommendations/actions from each meeting is reported and monitored at subsequent meetings. Governors completed a Governance Health Check Survey in September 2020 and Governance is included within the leadership and management section of the College self-assessment report which is graded as Good, for the year ended 31 July 2021.

**Remuneration Committee**

The Remuneration Committee comprises three Members of the Corporation and these were the Corporation Chair, Vice-Chair and the Chair of the Corporation's Resources Committee. The Committee's responsibilities are to make recommendations to the Corporation Board on the remuneration of the Designated Senior Post holders i.e. the Principal, the Deputy Principal Finance and Corporate Services and the Vice-Principal Curriculum, Quality and Standards. The Vice Chair of the Corporation is the Chair of the Remuneration Committee.

The College's Senior Staff Remuneration Code was reviewed by the Remuneration Committee on 5 February 2019 and adopted by the Corporation on 26 March 2019 and was fully implemented in 2020/21. On 29 October 2019 the Corporation agreed a Remuneration of Senior Post Holders Policy together with amendments to the Remuneration Committee Terms of Reference. The 2020/21 Remuneration Committee Annual Report was presented to the Corporation on 19<sup>th</sup> October 2021.

In order to ensure Transparency and accountability, as required by the College's Senior Staff Remuneration Code, a statement of the remuneration of the Designated Senior Post holders for the year ended 31 July 2021 is included in Note 6 to the Financial Statements.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).****Audit Committee**

The Audit Committee comprised five Members throughout the year which included four Members of the Corporation (excluding the Corporation Chair and the Principal) and a co-opted finance/audit specialist.

Attendance at the Audit Committee in 2020/21 was as follows:

Name	Date of Meeting			Attendance	Possible attendance	Overall Attendance Rate
	<b>24-Nov-20</b>	<b>09-Mar-21</b>	<b>15-Jun-21</b>			
Mr L Ali	1	1	1	3	3	100%
Mr P Bury	1	1	0	2	3	66%
Mr P Johnson	1	1	1	3	3	100%
Mrs A Holt	1	1	1	3	3	100%
Mr D Weidenbaum	1	1	0	2	3	66%

The Audit Committee operates in accordance with written Terms of Reference approved by the Corporation which take account of the requirements of the ESFA Post-16 Audit Code of Practice. Section 7.4 of the Audit Committee Terms of Reference was amended by the Corporation on 29<sup>th</sup> June 2021, to confirm the Policy that the Audit Committee shall advise the Corporation on the appointment, re-appointment (subject to retendering the service at least every 5 years), dismissal and remuneration of the Financial Statements and Regularity Auditor and the Internal Audit Service.

The Committee meets at least once in each term and provides a forum for reporting by the College's Internal Auditors and the Financial Statements/Regularity Auditors both of whom have access to the Committee for independent discussion, without the presence of College management should this be necessary. The Audit Committee also receives reports from other sources including the main Funding Agencies as they affect the College's business.

College management is responsible for the implementation of agreed audit recommendations and the Internal Auditors undertake periodic follow-up reviews to give assurance that agreed recommendations have been implemented.

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

**Curriculum & Quality Committee**

This Committee comprised ten Members which included the three Student Members of the Corporation, the Staff Member (Academic) and one External Co-opted Member with extensive experience of safeguarding and Prevent. The Committee, chaired by the Vice-Chair of the Corporation Board, met on four occasions during 2020/21.

The main objectives of the Curriculum & Quality Committee are to:

- advise the Corporation on the determination of annual performance targets including success rates, value added and student attendance;
- monitor College performance in terms of the quality of provision and outcomes for students;
- ensure that effective mechanisms are in operation for monitoring curriculum-related aspects of the College's performance including the quality of teaching, learning & assessment;
- advise the Corporation on policies and procedures relating to Learner Voice, student entitlement, student representation and student conduct.

Throughout the year the Committee reviewed the impact of Covid on Learners and the Curriculum and in particular the strategy to maintain Safeguarding and Prevent measures.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).****Resources Committee**

The Resources Committee comprised five Members, four of which were Corporation Members (including the Principal and the Corporation Chair) and one External Co-opted Member (Part Year). The Committee met five times in the 2020/21 Financial Year. The main objectives of the Resources Committee are to:

- monitor the financial position of the College and any of its subsidiaries to support the Corporation in fulfilling its statutory responsibilities with regard to solvency, safeguarding of assets, approval of financial forecast and the annual estimates of income and expenditure;
- advise the Corporation on the Property Strategy;
- approve the College's employment, health, safety and welfare, safeguarding and industrial relations frameworks and advise the Corporation on their effectiveness.

The Committee received and reviewed the Covid-19 risks in respect of the impact on Staff and the Budget forecast throughout the year.

**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 between Bury College and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

*The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bury College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

*Capacity to handle risk*

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).***The risk and control framework*

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

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

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

There were no significant control weaknesses identified in 2020/21.

**Statement from the Audit Committee**

The Audit Committee has advised Governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes that the Corporation has effective internal controls in place.

The specific areas of work undertaken and by the Audit Committee and audit opinions in 2020/21 and up to the date of the approval of the financial statements are:

- Governance and Risk Management Framework: Safeguarding - Substantial Assurance
- Post 1 May 2017 Apprenticeship Framework Review - compliance review
- Key Financial Controls: Payroll and Expenses - Substantial Assurance
- Higher Education Framework - Substantial Assurance
- Follow Up – Good Progress

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

***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; and
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors in their management letters and other reports.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).**

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

**Covid-19**

The Corporation and its committees continued to meet during the Covid-19 lockdown and were able to uphold their duties.

The College applied Procurement Policy Notice 2 to support its contractors impacted by Covid-19, and the Accounting Officer is satisfied that value for money was achieved.

The College was able to maintain its control framework during the Covid-19 situation.

The College 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 College leadership team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda included a regular item for consideration of risk and control relating to Covid. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2021 meeting, the Audit Committee carried out the annual assessment of risk for the year ended 31 July 2020 and agreed the Risk Management Register for 2020/21. The Risk Management Register 2020/21 had been developed from a full review of all risks updated by the management leaders for each risk. The Leadership team identified 10 High Risks with, of course, the response to Covid being of paramount importance at this point in Term 1. Much of the College resources are engaged in mitigating the risk of the Covid infection whilst providing good quality education. But the College could not lose sight of other high risks. A risk now elevated to high risk status is the threat of cyber-attacks which had become more frequent and sophisticated.



**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Corporate Governance and Internal Control (continued).**

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

**Approved by order of the members of the Corporation on 14<sup>th</sup> December 2021 and signed on its behalf by:**

**Signed**

**Mr P Nicol**  
**Chair of the Corporation**

**Signed**

**Mr C Deane**  
**Accounting Officer**

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Regularity, Propriety and Compliance**

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

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

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

Approved by order of the members of the Corporation on **14<sup>th</sup> December 2021** and signed on its behalf by:

**Signed**

**Mr P Nicol**  
**Chair of the Corporation**

**Signed**

**Mr C Deane**  
**Accounting Officer**

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Responsibilities of the Members of the Corporation**

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

Within the terms and conditions of the College's grant funding agreements and contracts with ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements and operating and financial review for each financial year in accordance with the *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; and
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

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

The Corporation is responsible for keeping proper accounting records 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 in order 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 the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from 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 in order to safeguard public and other funds and to 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.

The specific areas of work undertaken and by the Audit Committee and audit opinions in 2020/21 and up to the date of the approval of the financial statements are:

- Governance and Risk Management Framework: Safeguarding - Substantial Assurance
- Post 1 May 2017 Apprenticeship Framework Review - compliance review
- Key Financial Controls: Payroll and Expenses - Substantial Assurance
- Higher Education Framework - Substantial Assurance
- Follow Up – Good Progress

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Statement of Responsibilities of the Members of the Corporation (continued).**

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

**Approved by order of the members of the Corporation on 14th December 2021 and signed on its behalf by:**

**Signed**

**Mr P Nicol**  
**Chair of the Corporation**

**Signed**

**Mr C Deane**  
**Accounting Officer**

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Independent auditor's report to the Corporation of Bury College****Opinion**

We have audited the financial statements of Bury College (the 'corporation') for the year ended 31 July 2021, which comprise the Consolidated and College Statement of Comprehensive Income, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheet as at 31 July, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the corporation's affairs as at 31 July 2021 and of its surplus of income over expenditure for the year then ended; and
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education issued in October 2018 and any subsequent amendments

**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 are responsible for concluding on the appropriateness of the Members of the Corporation's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the corporation to cease to continue as a going concern.

In our evaluation of the Members of the Corporation's conclusions, we considered the inherent risks associated with the corporation's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Members of the Corporation and the related disclosures and analysed how those risks might affect the corporation's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the Members of the Corporation with respect to going concern are described in the 'Responsibilities of the Members of the Corporation for the financial statements' section of this report.

**Other information**

The Members of the Corporation are responsible for the other information. The other information comprises the information included in the annual report<sup>1</sup>, other than the financial statements and our auditor's report thereon. 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.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Independent auditor's report to the Corporation of Bury College (continued).**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Office for Students ('OfS') accounts direction (issued October 2019)**

In our opinion, in all material respects:

- funds from whatever source administered by the corporation for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them, and
- the requirements of the OfS accounts direction (issued October 2019) have been met.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2020 to 2021 issued by the Education & Skills Funding Agency requires us to report to you if, in our opinion:

- the corporation has not kept adequate accounting records; or
- the corporation's annual accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

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

**Responsibilities of the Members of the Corporation for the financial statements**

As explained more fully in the statement of responsibilities of the Members of the Corporation, set out on pages 27-28, the Members of the Corporation are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of the Corporation are responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Members of the Corporation either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Independent auditor's report to the Corporation of Bury College (continued).****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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the College and the sector through our general commercial and sector experience and discussions with management. We determined that the following laws and regulations were most significant: FRS102 'the Financial Reporting Standards Applicable in the UK and Republic of Ireland', the Further Education / Higher Education Statement of Recommended Practice, the ESFA College Accounts Directions 2020 to 2021 and the ESFA Post 16 Audit Code of Practice 2020 to 2021.
- We made inquiries with management to understand whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our inquiries to supporting documentation such as relevant board minutes. From the procedures performed we did not identify any matters relating to non-compliance with laws and regulations or matters in relation to fraud.
- We assessed the susceptibility of the College's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement included:
  - Assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates being the valuation of the defined benefit obligation liability and the impairment of tangible fixed assets;
  - Identifying and testing journal entries selected using audit data analytics;
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the sector in which the client operates in and understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
- In assessing the potential risk of material misstatement, we obtained an understanding of the company's operation, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and sector risks that may result in material misstatement, and the College's control environment, including the adequacy of procedures for the authorisation of transactions.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Independent auditor's report to the Corporation of Bury College (continued).****Use of our report**

This report is made solely to the Members of the Corporation, as a body, in accordance with the terms of our engagement letter dated 2 September 2021. Our audit work has been undertaken so that we might state to the Members of 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 and the Members of the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
[\*\*Date\*\*]  
15/12/2021



**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Reporting accountant's assurance report on regularity**

To the corporation of Bury College and Secretary of State for Education acting through Education and Skills Funding Agency ('ESFA')

In accordance with the terms of our engagement letter dated 2 September 2021 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that, in all material respects, the expenditure disbursed and income received by Bury College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

**Respective responsibilities of Bury College and the reporting accountant**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that, in all material respects, expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Reporting accountant's assurance report on regularity (continued).**

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the college's activities;
- evaluation of the processes and controls established and maintained in respect of regularity and propriety for the use of public funds through observation of the arrangements in place and enquiries of management;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and that included in the Regularity self-assessment questionnaire (RSAQ); and
- limited testing, on a sample basis, of income and expenditure for the areas identified as high risk and included on the RSAQ

**Conclusion**

In the course of our work nothing has come to our attention which suggests that, in all material respects, the expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Use of our report**

This report is made solely to the corporation of Bury College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Bury College and the ESFA those matters we are required to state in a limited assurance 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 Bury College, as a body, and the ESFA, as a body, for our work, for this report, or for the conclusion we have formed.



Grant Thornton UK LLP  
Chartered Accountants  
Manchester  
[\*\*Date\*\*]  
15/12/2021

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Consolidated and College Statement of Comprehensive Income**

	Notes	Year ended 31 July 2021	Year ended 31 July 2020	
		Group and College £'000	Group £'000	College £'000
<b>INCOME</b>				
Funding body grants	2	25,662	23,290	23,290
Tuition fees and education contracts	3	3,462	3,914	3,914
Other income	4	607	557	557
Investment income	5	29	21	21
<b>Total income</b>		<b>29,760</b>	<b>27,782</b>	<b>27,782</b>
<b>EXPENDITURE</b>				
Staff costs	6	19,918	19,620	19,620
Restructuring costs	6	30	2	2
Other operating expenses	7	7,848	6,036	6,036
Depreciation	10	1,318	1,496	1,496
Interest and other finance costs	8	466	454	454
<b>Total expenditure</b>		<b>29,580</b>	<b>27,608</b>	<b>27,608</b>
<b>Surplus before tax</b>		<b>180</b>	<b>174</b>	<b>174</b>
Taxation	9	-	-	-
<b>Surplus for the year</b>		<b>180</b>	<b>174</b>	<b>174</b>
Actuarial gain / (loss) in respect of pension scheme	23	2,395	(7,947)	(7,947)
<b>Total Comprehensive Income for the year</b>		<b>2,575</b>	<b>(7,773)</b>	<b>(7,773)</b>
<b>Represented by:</b>				
Unrestricted comprehensive income		2,575	(7,773)	(7,773)
Restricted comprehensive income		-	-	-
		<b>2,575</b>	<b>(7,773)</b>	<b>(7,773)</b>

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

The accompanying notes form part of these Financial Statements.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Consolidated and College Statement of Changes in Reserves**

	Income and Expenditure Account Reserve	Revaluation reserve	Endowment Reserve	TOTAL
	£'000	£'000	£'000	£'000
<b>Group and College</b>				
<b>Balance at 1 August 2019</b>	<b>15,884</b>	<b>3,880</b>	<b>109</b>	<b>19,873</b>
Deficit from the income and expenditure account	174	-	-	174
Other comprehensive income	(7,947)	-	-	(7,947)
Transfers between revaluation and income and expenditure reserves	56	(56)	-	-
	<b>(7,717)</b>	<b>(56)</b>	<b>-</b>	<b>(7,773)</b>
<b>Balance at 31 July 2020</b>	<b>8,167</b>	<b>3,824</b>	<b>109</b>	<b>12,100</b>
Surplus from the income and expenditure account	180	-	-	180
Other comprehensive income	2,395	-	-	2,395
Transfers between reserves	57	(57)	-	-
<b>Total comprehensive income for the year</b>	<b>2,632</b>	<b>(57)</b>	<b>-</b>	<b>2,575</b>
<b>Balance at 31 July 2021</b>	<b>10,799</b>	<b>3,767</b>	<b>109</b>	<b>14,675</b>

The accompanying notes form part of these Financial Statements.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Consolidated and College Balance Sheet as at 31 July**

	Notes	Group and College	Group	College
		2021	2020	2020
		£,000	£'000	£,000
<b>Non-current assets</b>				
Tangible fixed assets	10	43,597	43,066	43,066
Investments	11		-	81
Endowment investment		109	109	109
		<b>43,706</b>	<b>43,175</b>	<b>43,256</b>
<b>Current assets</b>				
Trade and other receivables	12	924	865	865
Cash and cash equivalents	18	11,219	6,785	6,704
		<b>12,143</b>	<b>7,650</b>	<b>7,569</b>
<b>Less: Creditors – amounts falling due within one year</b>	13	(3,492)	(2,305)	(2,305)
<b>Net current assets</b>		<b>8,651</b>	<b>5,345</b>	<b>5,264</b>
<b>Total assets less current liabilities</b>		<b>52,357</b>	<b>48,520</b>	<b>48,520</b>
Less: Creditors – amounts falling due after more than one year	14	(13,136)	(11,234)	(11,234)
<b>Provisions</b>				
Defined benefit obligations	23	(23,685)	(24,293)	(24,293)
Other provisions	16	(861)	(893)	(893)
<b>Total net assets</b>		<b>14,675</b>	<b>12,100</b>	<b>12,100</b>
<b>Restricted Reserves</b>				
Endowment Reserves		109	109	109
<b>Unrestricted Reserves</b>				
Income and expenditure reserve		10,799	8,167	8,167
Revaluation reserve		3,767	3,824	3,824
<b>Total unrestricted reserves</b>		<b>14,675</b>	<b>12,100</b>	<b>12,100</b>

The financial statements were approved and authorised for issue by the Corporation on **14<sup>th</sup> December 2021** and were signed on its behalf on that date by:



**Mr P Nicol**  
Chair



**Mr C Deane**  
Accounting Officer

The accompanying notes form part of these Financial Statements.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Consolidated Statement of Cash Flows**

	<b>2021</b>	<b>2020</b>
	<b>£,000</b>	<b>£,000</b>
<b>Cash flow from operating activities</b>		
Surplus/ (deficit) for the year	180	174
<b>Adjustment for non-cash items</b>		
Depreciation	1,318	1,496
(Decrease)/increase in provisions	(33)	64
(Increase) / decrease in debtors	(60)	132
Increase / (decrease) in creditors	1,030	(303)
Pensions costs less contributions payable	1,787	1,545
Deferred capital grant release	(268)	(264)
<b>Adjustment for investing or financing activities</b>		
Interest payable	116	130
Interest receivable	(29)	(21)
Profit on sale of fixed assets	-	55
<b>Net cash flow from operating activities</b>	<b>4,041</b>	<b>3,008</b>
<b>Cash flows from investing activities</b>		
Investment income	29	21
Deferred capital grants received	2,399	120
Payments made to acquire fixed assets	(1,692)	(370)
	<b>736</b>	<b>(229)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(116)	(130)
Repayments of amounts borrowed	(227)	(227)
	<b>(343)</b>	<b>(357)</b>
<b>Increase in cash and cash equivalents in the year</b>	<b>4,434</b>	<b>2,422</b>
Cash and cash equivalents at beginning of the year	18 6,785	4,363
Cash and cash equivalents at end of the year	18 <b>11,219</b>	<b>6,785</b>

The accompanying notes form part of these financial statements.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts****1. 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.

**Legal status**

The College was established under the Further and Higher Education Act 1992 for the purposes of conducting Bury College. The College is an exempt Charity for the purposes of the Charity Act 2011.

The College's registered address is Bury College, Market Street, Bury, BL9 0BG.

**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 2018 to 2021* 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.

The Financial Statements are prepared in £ sterling.

**Basis of accounting**

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

**Basis of consolidation**

The consolidated financial statements include the College and its subsidiary, Bury College Enterprises Limited (BCEL), using the purchase method of accounting. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. For the year ended 31 July 2021 BCEL was wound-up after several years of non-trading. The inclusion of the subsidiary is not material for the purpose of giving a true and fair view. The college is in the process of striking off the subsidiary company at Companies House. All assets were transferred to the college prior to July 2021.

**Basis of preparation – Going concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in this report of the Governing Body. The financial position of the College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying notes. The College continues with the planning and construction of the new build Health & Life Sciences Building which is fully covered by the College's liquidity and Greater Manchester Combined Authority grant.

The College primarily meets its day to day working capital requirements through cash generated from its day to day operations. It also has a fixed loan facility loan with Barclays Bank plc, which at 31 July 2021 had a balance of £1.818 million due for repayment over a remaining period of 8 years.

Having reviewed budgets and forecasts, the Corporation have a reasonable expectation that the College has sufficient resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The College has continued with strong Covid-19 control measures and robust risk assessments. It has been able to open to all students with high levels of face-to-face attendance. The College is in dialogue with the local authority public health team and reports and isolates all infections.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

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. The College is budgeting for a strong underlying surplus that can withstand further pressure. The majority of additional costs due to the continuing Covid-19 situation are not expected to be as high as 2020/21. Latest cash-flow return to the ESFA shows improving liquidity.

**Covid-19**

The Corporation and its committees continued to meet during the Covid-19 lockdown and were able to uphold their duties.

The College applied Procurement Policy Notice 2 to support its contractors impacted by Covid-19, and the Accounting Officer is satisfied that value for money was achieved.

The College was able to maintain its control framework during the Covid-19 situation as all staff and students returned in September 2020.

**Student Union**

The college has historically established a small fund to support student activity under the name of Student Union. Although this is not formally constituted or regulated, the funds have been recorded separately in their own bank accounts. An abbreviated set of accounts is produced. These are independently examined and presented to Governors.

**RECOGNITION OF INCOME****Revenue grant funding**

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

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

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

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

**Agency arrangements**

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



**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****Capital Grant Funding**

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

**Fee Income**

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

**Other Income**

The College generates income from a wide range of small projects with external funding, education delivery partnerships and commercial income.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable.

**Investment Income**

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

**Accounting for post-employment benefits**

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

**Teachers' Pension Scheme (TPS)**

The Teachers' Pension Scheme is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

**Greater Manchester Pension Fund (GMPF), part of the Local Government Pension Scheme (LGPS)**

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

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

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****Short term Employment benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the 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 former members of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of former members of staff is charged in full to the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

**Tangible fixed assets**

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

*Land and buildings*

Freehold land is not depreciated as it is considered to have an infinite useful life. 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 20 and 50 years.

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

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2003, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

*Assets under construction*

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

*Subsequent expenditure on existing fixed assets*

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

*Equipment*

Equipment costing less than £3,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- |                                    |          |
|------------------------------------|----------|
| • General equipment                | 10 years |
| • Servers/IT/Infrastructure        | 4 years  |
| • Computer equipment               | 3 years  |
| • Furniture, fixtures and fittings | 10 years |

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****Borrowing costs**

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

**Leased assets**

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

**Investments***Investments in subsidiaries*

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

**Cash and cash equivalents**

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

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

**Financial liabilities and equity**

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

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

**Taxation**

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

**Provisions and contingent liabilities**

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

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

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

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

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

**Judgements in applying accounting policies and key sources of estimation uncertainty**

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

- Determine whether 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 sources of estimation uncertainty*

- *Tangible fixed assets*

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

- *Local Government Pension Scheme (LGPS)*

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 23, 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 2021. 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.

- *Policy Endowments*

In 1997 and 1998, Bury Council transferred just over £83,000 for the 'Bury College Trust Fund' in a delayed asset transfer following incorporation in 1993. This grew over the following 20 years to £118k with accrued notional interest. The college has taken legal advice and liaised with the Charity Commission to clarify the position of the fund. In 2018/19, the College applied £3,000 of the Trust Funds and the balance now stands at £109,000.

Expenditure is recorded through the Statement of Comprehensive Income with a corresponding transfer from reserves.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

<b>2 Funding council grants</b>	<b>Year ended 31 July</b>		<b>Year ended 31 July</b>	
	<b>2021</b>		<b>2020</b>	
	<b>Group and College</b>		<b>Group</b>	<b>College</b>
	<b>£'000</b>		<b>£'000</b>	<b>£,000</b>
<b>Recurrent grants</b>				
Education & Skills Funding Agency - Adult	2,197		2,202	2,202
Education & Skills Funding Agency – 16-18	18,904		17,995	17,995
Education & Skills Funding Agency – Apprenticeships	1,221		1,723	1,723
Office for Students* (note 2a)	147		96	96
<b>Specific grants</b>				
Releases of government capital grants	268		264	264
Teachers Pension Grant	637		602	602
Capacity and Delivery Grant	376		408	408
DFE Covid grant for test centre	81		-	-
DFE donation for student laptops	159		-	-
Greater Manchester Combined Authority for Covid PPE	50		-	-
Condition Improvement grant and T level income	842		-	-
Tuition fee fund	495		-	-
Other	285		-	-
<b>Total</b>	<b>25,662</b>		<b>23,290</b>	<b>23,290</b>

The corporation has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received for the test centre contributed to costs of £84,607 and the funding for PPE to costs of £359,975

<b>2a OFS Grant and Fee Income</b>	<b>Year ended 31 July</b>		<b>Year ended 31 July</b>	
	<b>2021</b>		<b>2020</b>	
	<b>Group and College</b>		<b>Group</b>	<b>College</b>
	<b>£'000</b>		<b>£'000</b>	<b>£,000</b>
Grant income from the OfS	147		96	96
<b>Total grant and fee income (included in note 2)*</b>	<b>147</b>		<b>96</b>	<b>96</b>

<b>3 Tuition fees and education contracts</b>	<b>Year ended 31 July</b>		<b>Year ended 31 July</b>	
	<b>2021</b>		<b>2020</b>	
	<b>Group and College</b>		<b>Group</b>	<b>College</b>
	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
Fees for FE supported courses	749		850	850
Fees for HE loan supported courses	1,623		1,810	1,810
<b>Total tuition fees</b>	<b>2,372</b>		<b>2,660</b>	<b>2,660</b>
Education contracts	1,090		1,254	1,254
<b>Total</b>	<b>3,462</b>		<b>3,914</b>	<b>3,914</b>

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

4 Other income	Year ended 31 July		Year ended 31 July	
	2021		2020	
	Group and College		Group College	
	£,000		£'000 £'000	
Other income generating activities	122		145	145
Catering Income	37		74	74
Project Income	329		156	156
Miscellaneous income	119		182	182
<b>Total</b>	<b>607</b>		<b>557</b>	<b>557</b>

5 Investment income	Year ended 31 July		Year ended 31 July	
	2021		2020	
	Group and College		Group College	
	£'000		£'000 £'000	
Other interest receivable	29		21	21
<b>Investment income</b>	<b>29</b>		<b>21</b>	<b>21</b>

**6 Staff costs – Group and College**

The average headcount for each category calculated on a monthly basis (including key management personnel) employed by the College during the year, was:

	2021	2020
	No.	No.
Teaching staff	269	270
Non-teaching staff	259	252
	<b>528</b>	<b>522</b>

**Staff costs for the above persons**

	2021	2020
	£'000	£'000
Wages and salaries	14,063	13,823
Social security costs	1,258	1,254
Other pension costs	4,330	4,003
<b>Payroll sub total</b>	<b>19,651</b>	<b>19,080</b>
<b>Contracted out staffing services</b>	<b>267</b>	<b>540</b>
<b>Staffing Subtotal</b>	<b>19,918</b>	<b>19,620</b>
Restructuring costs - Contractual	30	2
Restructuring costs – non-contractual	-	-
<b>Restructuring sub total</b>		<b>2</b>
<b>Total staff costs</b>	<b>19,948</b>	<b>19,622</b>

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

The corporation has one salary sacrifice scheme in place which is cycle to work.

**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 comprises the Principal, Deputy Principals and Directors in curriculum and service areas of the College. 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**

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
The number of key management personnel including the Accounting Officer was:	<b>12</b>	<b>13</b>

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

	<b>Key Management Personnel</b>	
	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£60,001 to £65,000	9	10
£65,001 to £70,000	-	-
£80,001 to £85,000	-	-
£85,001 to £90,000	-	-
£100,001 to £105,000	-	-
£105,001 to £110,000	2	2
£185,001 to £190,000	1	1
	<b>12</b>	<b>13</b>

No other staff received emoluments over £60,000 during the year (2020: None).

Key Management personnel emoluments are made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	976	962
	<b>976</b>	<b>962</b>
Pension contributions	179	175
Payments on leaving the organisation	0	12
<b>Total emoluments</b>	<b>1,155</b>	<b>1,149</b>

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid office) of:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£,000</b>
Salaries	191	187
Benefits in kind	-	-
	<u>191</u>	<u>187</u>
Pension contributions	-	-
	<u>-</u>	<u>-</u>

**Approach to Remuneration and Annual Statement**

The Colleges Senior Staff Remuneration Code was reviewed by the Remuneration Committee on 5 February 2019 and adopted by the Corporation on 26 March 2019 and is fully implemented. On 29 October 2019 the Corporation agreed a Remuneration of Senior Post Holders Policy together with amendments to the Remuneration Committee Terms of Reference. The 2020/21 Remuneration Committee Annual Report was presented to the Corporation on 19<sup>th</sup> October 2021.

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

The process for setting remuneration is transparent. For Senior Post Holders there is a College level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the Chief Executive / Principal is justified, published and related to the remuneration of all staff within the organisation.

**Annual Statement 2020/21**

The College continues to operate in an increasingly competitive and underfunded sector and when determining remuneration, it must consider the balance between recruiting, retaining and rewarding the best staff possible, to deliver the best outcomes for students, society and the economy while demonstrating effective use of resources. During 2020/21 specific Covid related targets were agreed for Senior Post Holders Team.

The key of factors used in considering reward proposals for Senior Post Holders include:

- a) Performance in support of the college's strategic objectives in areas such as:
  - teaching, learning and outcomes for students
  - management, financial performance and administration
  - leadership of staff
  - stakeholder, partner and employer satisfaction
  - external relations nationally and locally
  - major initiatives and projects;
- b) The size and / or complexity of the college;
- c) The nature of the post-16 markets and issues of recruitment and retention; and
- d) The College's objectives in relation to the reward and diversity of the workforce.

Data that supports these indicators is drawn from:

- a) College finance record data available on ESFA and AoC websites;
- b) Pay Awards made to other College Staff;
- c) AoC Senior Staff Pay Survey;
- d) College Internal Analysis and External Reports; and
- e) National pay award recommendations.

The College did not operate a performance related pay policy for any group of staff in 2020/21 and any benchmarking of roles and pay mainly related to the AoC Staff Pay Survey. There were no SHP external appointments and expenses during 2020/21.



**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple	<b>2021</b>	<b>2020</b>
Principal and CEO's basic salary expressed as a multiple of the median of all staff	6.72	6.73
Principal and CEO's total remuneration as a multiple of the median of all staff	5.61	5.50
<b>Compensation for loss of office paid to former key management personnel</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Compensation paid to former key management personnel – contractual	-	-

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

The severance payment included no senior postholders (2020: none).

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****7 Other operating expenses**

	Year ended 31 July 2021	Year ended 31 July 2020	
	Group and College	Group	College
	£'000	£'000	£'000
Teaching costs	2,164	2,058	2,058
Non-teaching costs	2,343	2,029	2,029
Premises costs	3,341	1,949	1,949
<b>Total</b>	<b>7,848</b>	<b>6,036</b>	<b>6,036</b>

	Year ended 31 July 2021	Year ended 31 July 2020	
	Group and College	Group	College
	£'000	£'000	£'000
Auditors' remuneration:			
Financial statements audit	33	27	27
Other services provided by the Financial Statements Auditors:			
Taxation compliance services	-	-	-
All other non-audit services	-	1	1
Internal audit	15	18	18
Hire of assets under operating leases – plant and machinery	82	82	82
Hire of assets under operating leases – land and buildings	-	-	-

**7a Access and participation expenses**

The table below shows the costs for higher education students  
These costs are included in note 7 above.

	Year ended 31 July 2021	Year ended 31 July 2020	
	Group and College	Group	College
	£'000	£'000	£'000
Access investment	139	99	99
Financial support to students	77	52	52
Disability support	-	5	5
Research & Evaluation	10	-	-
<b>Total</b>	<b>226</b>	<b>156</b>	<b>156</b>

The total includes pay costs of £104,750. These costs are included in note 6 staff costs.

Further information on the college's access and participation plan can be found at:

<https://www.burycollegeunicecentre.co.uk/supporting-you/legal/>

<b>8 Interest payable – Group and College</b>	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
On bank loans, overdrafts and other loans:	116	130
Pension finance costs		
Net interest on defined pension liability (note 23)	350	324
<b>Total</b>	<b>466</b>	<b>454</b>

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****9 Taxation**

	Year ended 31 July 2021 Group and College £'000	Year ended 31 July 2020 Group £'000
Corporation tax	-	-
Provision for deferred corporation tax in the accounts of the subsidiary company	-	-
	<hr/>	<hr/>
<b>Total</b>	<b>-</b>	<b>-</b>

As an exempt charity under the Charities Act 2011, the College is outside the scope of corporation tax in respect of its charitable activities.

**10 Tangible fixed assets (Group and College)**

	Land and buildings Freehold	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 August 2020	55,097	3,255	99	58,451
Additions	296	406	1,147	1,849
Transfers	-	-	-	-
Disposals	-	-	-	-
<b>At 31 July 2021</b>	<b>55,393</b>	<b>3,661</b>	<b>1,246</b>	<b>60,300</b>
<b>Depreciation</b>				
At 1 August 2020	12,649	2,736	-	15,385
Charge for the year	1,108	210	-	1,318
Elimination in respect of disposals	-	-	-	-
<b>At 31 July 2021</b>	<b>13,757</b>	<b>2,946</b>	<b>-</b>	<b>16,703</b>
<b>Net book value at 31 July 2021</b>	<b>41,636</b>	<b>715</b>	<b>1,246</b>	<b>43,597</b>
Net book value at 31 July 2020	42,448	519	99	43,066

Land and buildings were valued in 1994 at depreciated replacement cost by the Metropolitan Borough of Bury using their Department of Development Services chartered surveyors. Other tangible fixed assets inherited from the LEA on incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice.

In 2003 Land and Buildings were revalued by Storey Sons and Parker, a firm of independent Chartered Surveyors in accordance with the RICS statement of asset practice guidance notes.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****Impairment**

The College has remained open for the entirety of the Covid-19 period with full maintenance continued. The College has educated learners through both remote learning and, when permitted to do so, on campus. The buildings have been operating and maintained. There is no impairment impact of Covid-19 on any of the College buildings – all of which are fully in use.

**11 Non-current investments**

	<b>College</b>	<b>College</b>
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Investments in subsidiary companies	-	81

The College owns 100 per cent of the issued ordinary £1 shares of Bury College Enterprises Limited, a company incorporated in England and Wales. The company was incorporated as a design and build company, it then ceased to trade and has been written-off. Inclusion of the subsidiary is not material for the purpose of giving a true and fair view.

The college is in the process of striking off at companies house. All assets were transferred to the college prior to July 2021.

**12 Trade and other receivables**

	<b>Group and College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:			
Trade receivables	57	63	63
Prepayments and accrued income	867	802	802
<b>Total</b>	<b>924</b>	<b>865</b>	<b>865</b>

**13 Creditors: amounts falling due within one year**

	<b>Group and College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (note 15)	227	227	227
Trade payables	629	302	302
Other taxation and social security	641	646	646
Accruals and deferred income	599	522	522
Deferred income – government capital grants	264	264	264
Other creditors	1,132	274	274
Amounts owed to ESFA	-	70	70
<b>Total</b>	<b>3,492</b>	<b>2,305</b>	<b>2,305</b>

**4 Creditors: amounts falling due after one year**

	<b>Group and College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans (note 15)	1,591	1,818	1,818
Deferred income - government capital grants	11,545	9,416	9,416
<b>Total</b>	<b>13,136</b>	<b>11,234</b>	<b>11,234</b>

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****15 Maturity of debt****Bank loans and overdrafts**

	<b>Group and College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
In one year or less	227	227	227
Between one and two years	227	227	227
Between two and five years	681	681	681
In five years or more	683	910	910
<b>Total</b>	<b>1,818</b>	<b>2,045</b>	<b>2,045</b>

The College has a fixed loan facility of 25 years to 2029 at a fixed rate of 6.0625% repayable by instalments falling due between 1 August 2019 and 31 March 2029. The security of the 25-year fixed term loan is on a proportion of College land.

**16 Provisions**

	<b>Group and College</b>	
	<b>Enhanced pensions</b>	<b>TOTAL</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August 2020	893	893
Expenditure in the period (release of provision)	(53)	(53)
Actuarial loss for the year	10	10
Interest on liabilities	11	11
<b>At 31 July 2021</b>	<b>861</b>	<b>861</b>

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:

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
<b>Price inflation</b>	2.6	2.2
<b>Discount rate</b>	1.6	1.3

**17 Financial assets and liabilities**

	<b>Group and College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Financial assets measured at amortised cost	11,414	7,048	6,967
Financial liabilities measured at amortised cost	4,351	2,824	2,824

Financial assets are measured at amortised cost and comprise cash and cash equivalents and trade debtors.

Financial liabilities are measured at amortised cost and comprise bank loans, trade creditors, accruals and other creditors.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****18 Cash and cash equivalents**

<b>Group</b>	<b>At 1 August 2020  £'000</b>	<b>Cash flows  £'000</b>	<b>At 31 July 2021  £'000</b>
Cash and cash equivalents			
Cash at bank	6,785	4,434	11,219
Debt due within one year	(227)	-	(227)
	(1,818)	227	(1,591)
<b>Total</b>	<b><u>4,740</u></b>	<b><u>4,661</u></b>	<b><u>9,401</u></b>

**19 Capital commitments**

	<b>Group and College</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31 July	<u>235</u>	<u>71</u>

**20 Lease obligations**

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

	<b>Group and College</b>	
<b>Equipment</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	53	70
Later than one year and not later than five years	-	9
Later than five years	-	-
	<u>53</u>	<u>79</u>

**21 Contingent liabilities**

The College has a long running employment tribunal case that has had three preliminary hearings and a full hearing is expected in about one year. The current legal advice is that the case is unlikely to be found against the College. If there is a reimbursement, the College is advised that the value is likely to be immaterial to the financial statements although the amount cannot be forecast accurately at this stage.

**22 Events after the reporting period**

There have been no events after the reporting period.

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****23 Defined benefit obligations**

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Greater Manchester Pension Fund, part of the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are multi-employer defined-benefit plans.

<b>Total pension cost for the year</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Teachers' Pension Scheme: contributions paid	2,195	2,131
Local Government Pension Scheme:		
Contributions paid	1,175	1,234
FRS 102 (28) charge	1,437	1,210
Past service costs	-	11
Charge to the Statement of Comprehensive Income	2,612	2,455
Enhanced pension charge to Statement of Comprehensive Income	21	117
<b>Total Pension Cost for Year within staff costs</b>	<b>4,828</b>	<b>4,703</b>

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges, and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of 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 teacher's pension account with a real rate of return assuming funds are invested in notional investments that produce a real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2019. 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 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% from 2018-19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 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 £2,195,050 (2020: £2,130,573).

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****Local Government Pension Scheme**

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Tameside Local Authority on behalf of the Greater Manchester Local Government Pension Fund. The total contributions made for the year ended 31 July 2021 were £1,627,432, of which employer's contributions totalled £1,271,399 and employees' contributions totalled £356,033. The agreed contribution rates for future years are 22.2% for employers and from 5.5% to 12.5% for employees, depending on Salary.

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by Hymans a qualified independent actuary.

	<b>At 31 July 2021</b>	<b>At 31 July 2020</b>
Pension increase rate (CPI)	2.9%	2.2%
Salary increase rate	2.2%	2.2%
Discount rate	1.6%	1.4%
Commutation of pensions to lump sums	55%	55%

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

*Retiring today*

Males	20.5	20.5
Females	23.3	23.1

*Retiring in 20 years*

Males	21.9	22.0
Females	25.3	25.0

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

	<b>LT rate of return expected at 31 July 2021</b>	<b>Fair value at 31 July 2021</b>	<b>LT rate of return expected at 31 July 2020</b>	<b>Fair value at 31 July 2020</b>
		<b>£'000</b>		<b>£'000</b>
Equity instruments		35,102		27,745
Debt instruments		7,522		7,040
Property		3,510		2,899
Cash		4,012		3,727
<b>Total fair value of plan assets (report states less than 1% to fund total)</b>		<b>50,146</b>		<b>41,411</b>
<b>Weighted average expected long term rate of return</b>	<b>1.60%</b>		<b>1.40%</b>	
<b>Actual return on plan assets</b>		<b>8,284</b>		<b>(2,482)</b>



**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).**

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	50,145	41,411
Present value of plan liabilities	(73,830)	(65,704)
<b>Net pensions liability</b>	<b>(23,685)</b>	<b>(24,293)</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts included in staff costs</b>		
Current service cost	2,612	2,444
Past service cost	-	11
<b>Total</b>	<b>2,612</b>	<b>2,455</b>

**Amounts included in interest payable**

Net interest payable	350	324
	<b>350</b>	<b>324</b>

**Amount recognised in Other Comprehensive Income**

Return on pension plan assets	7,702	(3,400)
Experience gains / ( losses) arising on defined benefit obligations	927	3,422
Changes in assumptions underlying the present value of plan liabilities	(6,234)	(7,969)
<b>Amount recognised in Other Comprehensive Income</b>	<b>2,395</b>	<b>(7,947)</b>

**Movement in net defined benefit liability during the year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deficit in scheme at 1 August	24,293	14,801
Movement in year:		
Current service cost	2,612	2,444
Employer contributions	(1,175)	(1,234)
Past service cost	-	11
Net interest on the defined liability	350	324
Actuarial (gain) / loss	(2,395)	7,947
<b>Net defined benefit liability at 31 July</b>	<b>23,685</b>	<b>24,293</b>

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****Asset and Liability Reconciliation**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	65,704	58,171
Current service cost	2,612	2,444
Interest cost	932	1,242
Contributions by Scheme participants	356	344
Experience gains and losses on defined benefit obligations	(927)	(3,422)
Changes in demographic assumption	351	1,254
Changes in financial assumptions	5,883	6,715
Estimated benefits paid	(1,081)	(1,055)
Past Service cost	-	11
<b>Defined benefit obligations at end of period</b>	<b>73,830</b>	<b>65,704</b>
<b>Reconciliation of Assets</b>		
<b>Fair value of plan assets at start of period</b>	41,411	43,370
Interest on plan assets	582	918
(Loss) / return on plan assets	7,702	(3,400)
Employer contributions	1,175	1,234
Contributions by Scheme participants	356	344
Estimated benefits paid	(1,081)	(1,055)
<b>Assets at end of period</b>	<b>50,145</b>	<b>41,411</b>

**24 Related party transactions**

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

The total expenses paid to or on behalf of the Governors during the year 2021 was: £0 (2020: £840; 3 Governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings, training events and representing the College at other events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2020: None).

The College charged the Trust £nil for professional services (2020: £nil).

**BURY COLLEGE****Financial Statements for the Year Ended 31 July 2021****Notes to the Accounts (continued).****25 Amounts disbursed as agent**

<b>Learner support funds</b>		<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
Unspent funds brought forward from prior year		215	-
Funding body grants – Hardship support		740	756
Disbursed to students		(489)	(512)
Administration costs		(34)	(29)
Balance unspent as at 31 July, included in creditors		<u>432</u>	<u>215</u>

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