CORNWALL COLLEGE FURTHER EDUCATION CORPORATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

CORNWALL COLLEGE FURTHER EDUCATION CORPORATION

CONTENTS

BOARD REPORT
FOR THE YEAR ENDED 31 JULY 2022 REFERENCE AND ADMINISTRATIVE DETAILS

Board of Governors

Martin Bailey BSc MBA MCIOB CEnv (resigned 21/9/22, moved to co-opted Committee member)
Ellie Burridge (elected for appointment on 09/12/21 and resigned 17/10/22)
Karen Burrows BA, Solicitor
Kallan Caban (elected for appointment on 20/10/21 and resigned on 20/01/22)
Lee Charnock FdSc, BSc, PGCE, MSET (elected for appointment on 20/10/21)
Peter Child FCMA, CGMA (Vice Chair) (term completed 06/03/22)
Jamie Crisp (term completed 17/10/21)
John Evans (Principal and CE)
Kelsi Giddy (elected for appointment on 23/03/22 and term completed 31/07/22)
Michael Hambly BSc
Nick Harris (elected for appointment on 20/10/21, resigned 12/09/22)
Tracey Hooper CFIPD, CMILT MBA, BSc (Hons), Dip Mgt. (resigned 23/03/22)
Dr Wilf Hudson
Kathryn James BA, PGCE and MA (appointed on 26/01/22)
Jonathan Mashen BSc FCA (appointed on 01/01/22)
Penny Mathers CSW DMS MEd (appointed on 05/02/22
Patrick Newberry BSc FCA FRSA (Chair from 01/01/22)
David Sharples (term completed on 17/10/21)
Anne Thomas RGC, BSc (resigned 07/09/22)
Dr Ian Tunbridge OBE BSc PhD FGS (Chair, term completed 31/12/21, governor term completed 10/12/22)
Jane Warren BA(Hons) MBCS
Geoff Warring ACMA CGMA
Sarah Watts (appointed 17/10/2022)
Pat Wilde BSc (Vice chair from 23.03.22)
Debbie Wilshire LLB, MBA (resigned 03/11/21)
Ellen Winser MBE MA DL

Co-opted committee members
Martin Bailey BSc MBA MCIOB CEnv (appointed 21/9/22)
Jonathan Mashen BSc FCA (Audit and Risk committee – joined the Board as a Governor)
Leon Sargeant ACIB and AMCT (Audit and Risk committee resigned on 17/03/22)
Debbie Wilshire LLB, MBA (Curriculum and Quality committee resigned on 20/06/22)
Penny Mathers CSW DMS MEd (Curriculum and Quality committee – joined the Board as a Governor)

Director of Governance
W Randle

Executive Leadership Team
R Barrington
D Boyer (left 14/12/21)
C Corfield (left 26/11/21)
J Evans (Chair)
A Ford
S Houghton
R Mason (joined 01/12/21)
J Ninnes
P Ramshaw
K Wills

Principal and Registered Office
Cornwall College, St Austell, Tregonissey Road, St Austell PL25 4DJ

BOARD REPORT
FOR THE YEAR ENDED 31 JULY 2022

Professional advisers

External Auditors:	Bishop Fleming LLP, Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, Devon PL4 0BN
Internal Auditors:	RSM Risk Assurance Services LLP, Hartwell House, 55-61 Victoria Street, Bristol, BS1 6AD
Bankers:	Barclays Bank plc, 20 High Street, Exeter, Devon, EX4 3YR
	Lloyds Bank plc, 1st Floor, Phase 2, South East, Canons House, Canons Way, Bristol, BS99 7LB
Solicitors:	Ashfords LLP, Princess Crout, 23 Princess Street, Plymouth, Devon PL1 2EX
	Trowers & Hamlins LLP, The Senate, Southernhay Gardens, Exeter EX1 1UG
	Eversheds Sutherland (International) LLP, Bridgewater Place, Water Lane, Leeds LS11 5DR
	Foot Anstey Solicitors, Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, Devon PL4 0BN
	Harrison Clark Rickerbys Ltd, 5 Deansway, Worcester WR1 2JG
	Michelmores, Woodwater House, Pynes Hill, Exeter, Devon EX2 5WR
	Stephens and Scown LLP, Osprey House, Malpas Road, Truro, Cornwall, TR1 1UT

BOARD REPORT
FOR THE YEAR ENDED 31 JULY 2022

The Corporation Board members are pleased to present their report and the audited consolidated financial statements for the year ended 31 July 2022.

OBJECTIVES AND STRATEGIES

Legal status

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

The Cornwall College Group Background

The College and its subsidiaries are known collectively as The Cornwall College Group (TCCG). In this report, references to the College refer to the College only, references to TCCG or the Group refer to the consolidated group. TCCG is one of the largest education establishments in the South West, with a turnover of £55m. It operates across seven campuses in Devon and Cornwall.

Mission, vision, strategy and values

TCCG's mission as approved by the Corporation Board is: 'Exceptional education and training for every learner to improve their career prospects'.

Shared values have been approved by the Board following widespread consultation. They underpin all aspects of College work and help guide the behaviour and attitude of staff and students:

Learner first
Act with integrity
Take ownership
EDI matters
Think sustainability

The Group is made up of five core brands: Cornwall College, Duchy College, Falmouth Marine School, Bicton College and Cornwall College Business.

Cornwall College has two general further education campuses in Camborne and St Austell and a specialist higher education campus in Newquay.

TCCG's two specialist land-based partner colleges, Duchy College and Bicton College have three campuses, Duchy College Stoke Climsland, in north Cornwall, Duchy College Rosewarne near Camborne and Bicton College in Devon.

Falmouth Marine School specialises in marine engineering, watersports and boatbuilding.

TCCG also has a dedicated Engineering Skills Centre in Plymouth, a Professional Skills and Golf Centre at St Mellion Resort and a training partnership with the world-famous Eden Project (Eden Project Learning).

Implementation of the strategic intent

The 2021–24 strategic planning period for the College, is a significantly positive one for the first time in many years for The Cornwall College Group (TCCG) based on four main factors:

- As a result of going through the Government's 'Fresh Start' process the College has benefitted from strong and significantly improved Governance and Leadership.
- The recently released white paper, 'Skills for Jobs: Lifelong learning for opportunity and growth' has firmly put the Further Education sector at the heart of the Government's 'Levelling Up' agenda and a key player in the economic recovery from both the Covid pandemic and the fuel crisis. There is now a genuine desire to understand and invest in improving the FE infrastructure however, the lack of increase in the base rate (revenue) is creating a significant workforce issue in the sector.
- The demographic data for school leavers in Cornwall over the next five years reports a predicted 28% growth across the two main general Further Education campuses, St Austell and Camborne.
- The College is now data rich which significantly enables effective decision making by Leaders and Governors

BOARD REPORT
FOR THE YEAR ENDED 31 JULY 2022

Implementation of the strategic intent *continued*

In the first 24 months the new senior team had two main priorities:

- Achieve an Ofsted grade of Good or better as soon as possible improving the reputation of the College whilst also enabling it to be involved in Government initiatives such as T Levels and Institutes of Technology.
- Significantly align the cost base to the College's income in order for the College to be financially sustainable.

Both objectives have been achieved however, external factors (cost of living crisis) has added extra challenges for the college to negotiate during this planning period

The Cornwall College Corporation Board (the Board) agreed a strategic plan committing to the following strategic goals across five priority areas covering the years 2020/21 to 2023/24:

To inspire, be ambitious, respect and support all of our learners, through consistently excellent quality of education to maximise their potential.

- To deliver consistent high learner outcomes and successful progression for all, relevant to their starting point.
- Ensure that teaching, learning and assessment is consistently good or better by effective quality assurance.
- Ensure that learners' employability skills and personal development are well developed, to include lifelong strategies to support positive mental health and wellbeing, leading to successful careers.
- Further develop apprentices' and learners' understanding and awareness of British Values, Equality, Diversity and Inclusion, including the Prevent agenda.
- Listen and respond to the Student Voice; ensuring that learners enjoy the wider experience of College life.

Be the college of choice by delivering a *high quality, sequenced curriculum to meet the needs of local and regional priorities.*

- Create a flexible 'industry led' vocational FE and HE curriculum.
- Improve connectivity between research activity and curriculum offer, for the benefit of learners and industry.
- Further develop a consistent apprenticeship offer that meets the needs of employers at all levels.
- Continue to expand and promote the Higher Education curriculum offer, establishing clear progression routes for existing learners.
- Promote the College through a data-driven, focused marketing strategy, strengthening our positioning as 'The Career College'.
- Develop vocational pathways with local schools at Key Stage 4.
- Embed the sustainable use of resources and environmental impact into the curriculum.

Establish long term financial viability by managing the college resources effectively, efficiently and sustainably, to enhance the learner experience for all.

- Establish a long term financially secure cash position and positive budget.
- Increase the local market share of 16-18 year olds on study programmes or apprenticeships.
- Bid for projects/grant applications that support the College's strategic aims.
- Maximise value from existing resources with due care for environmental impact.
- Continue to deliver value for money by identifying opportunities for efficiency savings and by effective procurement, working in partnership with suppliers and stakeholders.
- Continue to implement a site strategy to achieve financial viability.

Bring fresh thinking to our partner and stakeholder relationships to maximise the opportunities to provide an outstanding experience for our learners, employers and the local community.

- Further develop partnerships and collaborative opportunities to achieve the College's Strategic Aims.
- Work with strategic stakeholders, including employers, to maximise opportunities, including research and knowledge transfer.
- Work collaboratively with local schools to develop vocational pathways for Key Stage 4 learners.
- Explore new partnerships with school sixth forms to increase participation in vocational pathways and to encourage progression to Higher Education.
- Engage with parents/carers, to work in partnership with them for the benefit of learners and to improve links to our local communities.

BOARD REPORT
FOR THE YEAR ENDED 31 JULY 2022

Value, develop and recognise staff through highly effective support that will provide the best quality experience for our learners.

- We will value, respect and recognise our staff contribution and ensure we retain, attract and recruit high calibre staff.
- Continue to work in partnership with staff representative groups (unions, staff forum and workload groups) to be recognised as an employer of choice and continue to improve cross college communication.
- To enhance the performance and contribution of staff through highly effective support, training and development, linked to the Performance Management Review including succession planning at all levels.
- Create and promote further opportunities for staff to improve their health and well-being; ensure that staff enjoy and value their time at work.
- Ensure an equitable and fair workload for all staff.
- Provide support to ensure staff are well qualified for their roles, including relevant and recent industry skills.

Resources

TCCG has various resources that it can deploy in pursuit of its strategic objectives. TCCG employs 1,002 people (expressed as full-time equivalents), of whom 386 are teaching staff. TCCG enrolled approximately 11,378 students (unique learners). TCCGs' student population included 2,686 16-to-18-year- old students, 1,702 apprentices, 829 higher education students, 4,888 adult learners and 1,273 Fee paying learners. TCCG has £42 million of net assets (reducing to a net surplus of £29 million after accounting for Pension Liabilities) and no long-term debt. Tangible resources include the five campuses that TCCG owns (TCCG leases land and buildings at Rosewarne and Stoke Climsland).

Stakeholder relationships

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

Students
Education sector funding bodies
Staff
Local employers
Local authorities
Government departments / Local Enterprise Partnerships
The local community
Other FE institutions and schools
Trade Unions
Professional bodies

TCCG recognises the importance of these relationships and engages in regular communication with them through various networks, meetings and its online presence.

Ofsted March 2022 report stated *'Governors, senior leaders and managers have worked relentlessly to establish the college as an influential partner in the region. They work productively with local and regional stakeholders to offer a curriculum that meets the needs of learners, the community and local industry. Working closely with Truro and Penwith College, the Cornwall and Isles of Scilly local enterprise partnership, the local education authority and local schools, senior leaders have adapted the curriculum well to meet local needs and build on the strengths of the college. The college makes a positive and vital contribution to the development of vocational skills, especially in the land-based, construction and building service, engineering, hospitality and catering, health and social care, and hair and beauty sectors.'*

Public benefit

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

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Public benefit *continued*

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

- High-quality learning and teaching - through our brilliant learning strategy to 11,378 students;
- Widening participation and tackling social exclusion - in particular through being an inclusive organisation with a focus on assisting re-engagement and success for learners with low prior attainment or difficult prior experiences of education, including approximately 229 students with high needs;
- Excellent progression into employment and further study - through preparing learners for work with the Universal, Specialist and Personal learning plan;
- Strong student support systems;
- Strong, innovative and long-standing links with employers, industry and commerce - through our focus on innovative collaborations and partnerships; and
- Adjusting courses to meet the needs of local employers and provides training to 1,702 apprentices.

Additional detail of public benefit is demonstrated throughout this report.

DEVELOPMENT AND PERFORMANCE

Financial results

The Group generated an underlying Operating deficit of £565k in 2021/22 (2020/21: £876k deficit) (see table below).

The Group undertook a restructuring exercise during the year, resulting in exceptional redundancy costs of £359k. Coupled with costs associated with FRS102 pension adjustments of £2,957k and profit on the sale of land and properties of £30k (this profit excludes the release from revaluation reserve of £182k). The Group generated a deficit before other gains or losses of £3,851k.

A positive actuarial valuation on pensions of £59,666k, resulted in a Comprehensive Income profit of £55,815k.

The following reconciliation is provided in order to present a clearer picture of the Group's underlying operating result, which is a deficit of £565k for 2022 (2020/21: £876k deficit):

	2022 **£000**	2021 £000
Consolidated (deficit)/surplus for the Financial Year	**(3,851)**	(5,569)
Add back (profit)/loss on sale of assets	**(30)**	1,612
Restructuring costs	**359**	719
FRS102 pension adjustments included in staff costs	**1,797**	1,433
FRS102 pension interest costs included in interest costs	**1,160**	929
Consolidated underlying operating surplus/(deficit)	**(565)**	(876)

Due to strong financial management and a focus on improving efficiency, the College has improved its underlying operation position by £248k from the previous year. This improvement in profitability has resulted on a strong cash position at the year-end and an EBITDA of £1,151k.

BOARD REPORT
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Cash flows and liquidity

Investment in infrastructure and capital assets of £2,296k during the year was partly offset by increased efficiencies and reduced staffing costs, has resulted in the Group cash balances reducing by £620k during the year, leaving a cash balance of £4,394k at the balance sheet date.

Developments

The 2021/22 year ended with the college having made significant steps to improve the Quality of Education and the financial position of the group. Ofsted arrived in March 2022 with 21 inspectors for a week to judge the college and decide if the college had improved on its then current judgement of 'Requires Improvement' – Grade 3.

The College achieved the following grades:

Overall effectiveness	**Good**
The quality of education	**Good**
Behaviour and attitudes	**Good**
Personal development	**Good**
Leadership and management	**Good**
Education programmes for young people	**Good**
Adult learning programmes	**Good**
Apprenticeships	**Good**
Provision for learners with high needs	**Good**

This was a significant achievement which resulted in Ofsted's Chief Inspector visiting the college in May 2022 to see how it was achieved.

The Ofsted report stated ''*Since the previous inspection, senior leaders and governors have transformed the culture at the college. Governors and leaders have high expectations for learners. Leaders are passionate about the power of education to change lives and benefit the wider community.'*

Whilst also dealing with the Covid-19 pandemic the college has:

- Appointed a highly experienced and dynamic permanent Senior Management Team
- Further embedded Curriculum & Quality systems
- A close strategic relationship has been created with Truro & Penwith College
- LANDEX middle manager development programme for Curriculum Area Managers (CAMs) introduced
- Data Culture including a suite of KPIs / Balanced Scorecard implemented
- System driven Staff Utilisation reporting is in operation
- Capital request process introduced
- In September 2021, increased 16-18 recruitment for the first time in many years with 480 learners above budget
- Achieved the highest learner outcomes for many years (83.7% overall including English and Maths)
- Received praise from both the ESFA and the FE Commissioner for the significant progress that has been made.
- Further embedded the teaching, learning and assessment strategy and related observation process including 'deep dive' methodology.
- Developed a costed curriculum plan
- Significantly strengthened the Group by appointing many new governors from local businesses and now has a well-balanced skill set.

The future for the group is now looking positive with the 3-year business plan providing a balanced budget (pre-cost of living rises), which generates cash. The cost of dealing with the Covid restrictions and obligations has had a negative impact on many aspects however, the college is now in a position to be able to manage its way through these challenges.

BOARD REPORT
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Developments (*continued)*

The main capital development that will have a significant impact on the College's future is the planned new build of the St Austell campus funded by the DfE (circa £40m) and a grant of £12m for Camborne redevelopment. Market analysis and LMI shows significant growth opportunities through demographics and market share through quality improvements and the impact of a new campus. The college also received £1.6m in conjunction with Truro & Penwith college from the DFE for the development of Electric Vehicle training centres at St Austell and Camborne.

Reserves

Cash reserves at the end of the year were £4,394k (2021: £5,014k). Investment in efficiency measures across the Group, coupled with structural staffing changes and curriculum rationalisation completed during 2021/22, has enabled the Group to maintain a positive cash balance throughout the year and enabled the College to continue to invest in its facilities.

The College has restricted reserves of £77k, which relate to a project to provide community use of certain College buildings. The revaluation reserve of £3,318k relates to revaluations of Land and Buildings from incorporation and will be released to the Profit and Loss account over the remaining life of those assets.

Sources of income

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2021/22, ESFA provided 53% (2020/21:55%) of the Group's total income excluding exceptional items.

Group Companies

The College has two active subsidiary companies, CC Education Services Limited and CCMS (2000) Limited. CC Education Services Limited generates solar power that is sold back to the grid at a profit and CCMS (2000) Limited is a recruitment agency. CC Education Services Limited in 2021/22 made a profit of £47,887 (2020/21:£23,072 loss). CCMS (2000) Limited made a profit of £121,247 (2020/21: £65,198 profit) for the year.

FUTURE PROSPECTS

Developments

The future for the group is now looking positive with the 3 year business plan providing a balanced budget, which generates cash, alongside increasing the 16-18 learner numbers of retained provision. The cost of dealing with the Covid restrictions and obligations has had a negative impact on many aspects however, the college is now in a position to be able to manage its way through these challenges post-Covid.

The main capital development that will have a significant impact on the College's future is the planned new build of the St Austell campus. Market analysis and LMI shows significant growth through demographics and market share through quality improvements and the impact of a new campus.

Financial plan

The College Governors approved a two-year financial plan in July 2022, which sets objectives for the period to 2023/24. The Budget for the coming year 2022/23 outlines a small operating deficit, which is an improvement on the current year. The Group has budgeted to remain cash positive throughout 2022/22 to 2023/24, and does not envisage using its overdraft facility during this period.

BOARD REPORT
FOR THE YEAR ENDED 31 JULY 2022

Treasury policies and objectives

Treasury Management is the management of TCCG's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The Group has treasury management and policy arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Any borrowing requires the authorisation of the Board and must agree with the requirements of the Financial Memorandum.

Reserves

The Group has no formal reserves policy but recognises the importance of reserves in the stability of any organisation. The income and expenditure reserve stands at £25,543k. It is the Group's intention to continue to improve its cash reserves over the medium-term with actions already taken during 2022/23 to ensure cash generation.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The Executive Leadership Team (ELT) undertakes a comprehensive review of the risks to which TCCG is exposed on a quarterly basis. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact of risks on TCCG. Internal controls are then implemented and subsequent appraisals review their effectiveness. Risks, including their mitigating actions and progress, are then captured and monitored in a college wide risk register, which is reviewed by both the Audit and Risk Committee and the Board at each of its meetings.

The Audit and Risk Committee reviews, amongst other things, the adequacy and effectiveness of the Group's risk management arrangements and Board assurance framework, and reports to the Board. The Group also engages a firm of internal auditors to undertake a rolling annual plan of reviews to ensure internal controls are adequate. This programme is developed annually by the Audit and Risk Committee and Executive Leadership Team and covers what are considered to be the highest risk areas of work for the College.

Outlined below is a description of the principal risk factors that may affect TCCG. Other factors besides those listed below may also adversely affect TCCG.

Quality

The extended period of lockdown, illness and uncertainty during the COVID19 Pandemic affected the learning and life experiences of a generation of young people. Most notably, those year 11 pupils who were due to take their GCSEs in the summer of 2020 and 2021 but found their exams cancelled and their outcomes issued based on predicted grades. As these learners enter their further education courses and apprenticeships our teaching and learning has needed to accommodate the interruption they faced at the end of their schooling. In many cases grade inflation has been evident meaning that whilst learners' starting points were understood, gaps in their learning have led to many challenging outcomes.

In addition, behaviours and attitudes of young people have been affected by the pandemic with a notable increase in mental health and anxiety, reduced engagement by both students and their parents/carers in education and much more of a "live now" mentality where education is not necessarily a key priority. With this has come an increase in behaviours and attitudes that have required a higher and more in-depth level of intervention than previous experienced. Alongside this, 2021-2022 saw Cornwall and the College far more impacted by COVID19. At some points over 100 staff were unable to work due to the virus impacting on both curriculum and professional services teams. English and Mathematics has been a continuing concern for the College. Following the Ofsted Inspection in February 2022 ELT implemented a restructure of English and maths, which included the Performance Management of all English and maths teaching staff mid-year, in order to ensure high quality teaching moving forwards. The Group Lead and Vice Principal have now prepared a full Implementation Strategy to drive standards in English and maths across the Group. COVID19 does not provide any excuse for student outcomes, however, its impact must be considered when analysing College success for the 2021-2022 Academic year. The College can build on its position of strength. Through directed performance management, accountability oversight at all levels and continued student support the College will ensure significant importance of student outcomes for this academic year.

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Quality (*continued)*

Student data is monitored weekly through the College Operations Group (COG) and through Course Reviews as part of the Quality Cycle. As reported to the Curriculum and Quality Committee, attendance and retention have been an ongoing area of concern over the course of the 2021-2022 academic year. However, as indicated by the data there has been a significant decline in the pass rate and therefore achievement rate across the Group. This was not expected and at no point through the Course Review process, nor College Operations Group was a whole scale issue with pass rate identified. A detailed action list has been agreed by ELT in order to ensure appropriate performance management and scrutiny in order to rapidly drive forward the required improvements.

Recruitment targets

TCCG has experienced falls in learner recruitment in recent years, in particular for 16-18 year olds due to a combination of a falling population demographic for this age group and competition from other providers. The Group is addressing this decline through improvements to the quality of its offering to students via its Post Inspection Action Plan, mentioned above, and other activities designed to improve quality.

Cash flow, cost control and future funding risks

Management continue to closely monitor and control income and expenditure to ensure ongoing liquidity. This risk is being managed through regular cashflow forecasting.

The principal financial risk to the Group is a reduction in learner numbers and the resulting reduced group size. The College continues to focus on improving the quality of its provision whilst investing in facilities and teaching resources, for the benefit of the learners. Management data has improved significantly over the year and allows senior management to identify underutilisation of staff quickly, as well as being able to identify low group sizes. This allows for swift action to be taken to maximise resource use and rationalise delivery costs. Accurate and reliable finance data is readily available to management, which means the College is aware of underperforming areas at an early stage and can act accordingly. Cash is forecast on a weekly basis over a three-year period, which gives good visibility of potential low points in the future, which the College can then navigate.

Streamlined 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:

- Installed low energy LED lighting at various locations
- Renewed a number of fleet vehicles improving fleet efficiency and reducing exhaust emissions. In 2022/23 the College has also integrated two electric cars into the fleet.

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

UK Greenhouse gas emissions and energy use data for the period	**1 August 2021 to 31 July 2022**
Energy consumption used to calculate emissions (kWh)	11,156,636
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	1,240
Owned transport	87
Total	1,327

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Streamlined Energy and Carbon Reporting *(continued)*

<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	921
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	168
Total gross emissions in metric tonnes CO2e	**2,416**
<u>Intensity ratio</u>	
Metric tonnes CO2e per m^2 floor area	0.01873

Qualification and reporting methodology
The Group has followed the 2019 HM Government Environmental Reporting Guidelines. The Group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 per meter squared of floor area (m^2)

The calculations above may include some estimates where actual data is missing as electricity and gas usage is based on actual billed usage for the year. College owned transport is based on the average mileage per year, per vehicle.

KEY PERFORMANCE INDICATORS

KPI	**Measure/Target**	**Actual for 2021/22**
Student number target 16-18	3,051	2686
Student number target apprentices	1,750	1,702
Student number target Higher Education	914	829
Student number target adult learner loans	642	428
Student number target full cost recovery	1,959	1,273
Adult income target	£4,644k	£3,560k
Student achievement 16-18	81%	76%
Student achievement 19+	81%	84%
Student achievement apprentices (all ages, overall)	72%	65.6%
Student achievement HE (excl level 4)	89%	76.5% (81% partial)
Operating Surplus/(Deficit)	(£178k)	(£628k)
EBITDA	£1,450k	£1,151k
EBITDA as % of Income	2.6%	1.86%
Ofsted rating	Good	Good
Staff satisfaction	65%	74%
Financial health rating	Requires improvement	Requires improvement

Student Achievements

Student achievements are presented in the Key Performance Indicators table above. As described elsewhere in this report, in February 2022, the College underwent an Ofsted monitoring visit and was awarded an outcome of "significant progress."

Improvement in the quality of education across FE, HE and Apprenticeships is a key strategic priority and is being actively addressed through the Ofsted Post Inspection Action Plan and other activities.

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Payment performance

The late payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of the goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period there were times when TCCG performance fell below this level due to the process of making two payment runs to suppliers each month. This may result in some suppliers being paid just after the 30-day period. Payments within 30 days averaged 40.2% (2020/21: 31.8%) and within 60 days 52.5% (2020/21: 62.1%).

Equal opportunities and employment of disabled persons

TCCG is committed to ensuring equality of opportunity for all who learn and work at the Group. We respect and positively value differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis. TCCG's Equality and Diversity Policy, including its Race Relations and Transgender Policies, is published on TCCG's internet site.

TCCG considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. We are a disability confident employer. Where an existing employee becomes disabled, every reasonable effort is made to ensure that employment with TCCG continues. TCCG's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees. An Equality and Diversity Annual Report is published each year following Corporation Board approval.

A gender pay gap report is published every year by TCCG and this is available on its website at the following link: https://www.cornwall.ac.uk/wp-content/uploads/2022/11/Gender-Pay-Gap-Report-2021.pdf.

Disability statement

TCCG seeks to achieve the objectives set down in the Equality Act 2010 and the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005:

- TCCG has appointed access co-ordinators who provide information, advice and arrange support where necessary for students with disabilities;
- There is a list of specialist equipment, such as radio aids, which TCCG can make available for use by students and a range of assistive technology is available in the learning centres;
- The admissions policy for all students is outlined in TCCG's charter. Appeals against a decision not to offer a place are dealt with under the complaints policy;

TCCG has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
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; and
Specialised programmes are described in College prospectuses, and achievements and destinations are recorded and published.

BOARD REPORT
FOR THE YEAR ENDED 31 JULY 2022

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

Numbers of employees who were relevant union officials during the year	**FTE employee number**
3	1.79
Percentage of time	
1-50%	1.79
Total cost of facility time	£8,323.20
Total pay bill	£25,883,705
Percentage of total bill spent on facility time	0.03%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

Going concern

The College cash reserves remained positive throughout 2021/22 and the College did not require any short-term borrowing. An overdraft facility has been provided by Barclays Bank, but as cash reserves are forecast to remain positive, the College does not envisage using this facility in the short or medium term. The impact of COVID-19 has had a diminishing impact on the College's finances for 2021/22 and the College had a strong cash position throughout the year. The College has factored in a reduction in learner numbers for 2022/23, as well as increased costs due to inflationary pressures, allowing for these factors the College continues to forecast a positive cash position in the medium term. Therefore, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Impact of Pension Fund Valuation

The Group had a positive balance sheet as at 31st July 2022 of £28.9m. This represents an improvement from the previous year of £55.8m. The primary reason for this improvement was the movement in the actuarial valuations of both the Cornwall and Devon Local Government Pension Schemes. The College is reporting a year-end pension liability of £13.3m as at 31st July 2022, which is a reduction of £56.5m from the previous year-end (£69.8m). The decrease in pension fund liability resulted from a significantly improved forecast for corporate bond yields, compared to the previous year. As a result the July 2022 discount rate, (which corresponds to future investment returns) was higher. The higher discount rate places a lower value on the pension obligations and therefore improves the balance sheet. These assumptions (which are common to all FE Colleges operating the LGPS Pension and not specific to Cornwall College) were as at the date of the pension valuation and may change in future years.

EVENTS AFTER THE REPORTING PERIOD

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector institutions. This decision is retrospective to April 1993. The Department for Education introduced some new rules for colleges with immediate effect. None of these rule changes have a significant impact on Cornwall College. The Department for Education is expected to continue to review this change and issue further guidance over the coming 12 to 24 months. The College will also continue to keep further changes under consideration.

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.

This Board Report was approved by order of the members of the Corporation Board and signed on its behalf by:

Mr P Newberry

Chair Date: 13/12/2022

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 JULY 2022

The following statement is provided to enable readers of the annual report and financial statements of the Cornwall College Group (TCCG) to obtain a better understanding of its governance and legal structure. This statement covers the year from 1st August 2021 to 31st July 2022 and up to the date of approval of the annual report and financial statements.

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

In the opinion of the Board of Governors, the Group complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2022. The Board of Governors 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 Association of College's Code of Good Governance for English Colleges updated in September 2021 which the Board adopted at its meeting on 26 January 2022.

The Corporation

Name	Date of app't/ re-app't	Category	Term of app't	App't expiry date	Date of leaving	Committee membership	Attendance in 2021/22 %*
Mr M Bailey	1.1.20	External	4 years	31.12.23	21.9.22	Finance and Resources, Major Capital Projects (Chair)	75
Ms E Burridge	9.12.21	Student	1 year x 2	31.7.22 31.7.23	17.10.22	HE	86
Ms K Burrows	1.1.14 1.1.18 1.1.22	External	2 years	31.12.21 31.12.23		Finance and Resources	83
Mr K Caban	20.10.21	Student	1 year	31.7.22	20.1.22		83
Mr L Charnock	20.10.21	Staff	4 years	19.10.25		HE	100
Mr P Child (Vice Chair from 6.3.14 to 6.3.22)	7.3.12 7.3.16 7.3.20	External	2 years	6.3.22	6.3.22	Finance and Resources Remuneration Search and Governance	82
Mr J Crisp	18.10.17	Staff	4 years	17.10.21	17.10.21	Curriculum and Quality	100
Mr J Evans	30.9.19	Principal	Ex officio			Curriculum and Quality, HE, Finance and Resources Search and Governance	86
Ms K Giddy	23.3.22	Student	1 year	31.7.22	31.7.22	Curriculum and Quality	25
Mr M Hambly	1.9.21	External	4 years	31.8.24		Curriculum and Quality	70
Mr N Harris	20.10.21	Staff	4 years	9.10.25	12.09.21	Finance and Resources	100
Ms T Hooper	1.11.17 1.11.21	External	4 years	31.10.21 31.10.25	23.3.22	Audit and Risk Curriculum and Quality	57

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 JULY 2022 *continued*

Name	Date of app't/ re-app't	Category	Term of app't	App't expiry date	Date of leaving	Committee membership	Attendance in 2021/22 %
Dr W Hudson	19.10.16 19.10.20	External	4 years	18.10.20 18.10.24		Curriculum and Quality (Chair) HE Remuneration Search and Governance	63
Ms K James	29.1.22	External	4 years	28.1.26		Curriculum and Quality	60
Mr J Mashen	1.1.22	External	4 years	31.12.25		Audit and Risk Committee	100
Mrs P Mathers	5.2.22	External	4 years	5.2.26		Curriculum and Quality	88
Mr P Newberry (Chair from 1.1.22)	27.11.17 5.2.20	External	4 years 4 years	26.11.21 4.2.24	12.11.18	Audit and Risk (Chair), Finance and resources Remuneration Search and Governance	88
Mr D Sharples	1.8.13 18.10.17	Staff	4 years	17.10.21	17.10.21		100
Mrs A Thomas	1.1.20	External	4 years	31.12.23	7.9.22	Audit and Risk	56
Dr I Tunbridge OBE (Chair from 1.8.16 to 31.12.21)	10.12.14 10.12.18	External	4 years	9.12.22	9.12.22	Chair Curriculum and Quality, HE Finance and Resources Audit and Risk Remuneration Search and Governance	70
Ms J Warren	16.10.19	External	4 years	15.10.23		Audit and Risk HE Major Capital Projects	75
Mr G Warring	1.11.17 1.11.21	External	4 years	31.10.21 31.10.25		Audit and Risk Finance and Resources (Chair)	100
Mrs S Watts	17.10.22	Staff	4 years	16.10.26			
Mrs P Wilde (Vice Chair from 23.3.22)	5.2.20	External	4 years	4.2.24		HE Committee (Chair) Curriculum and Quality Search and Governance Remuneration	95
Mrs D Wilshire	3.2.21	External	4 years	2.2.25	3.11.21	Curriculum and Quality	67
Mrs E Winser	3.2.21	External	4 years	3.2.25		Finance and Resources Curriculum and Quality Audit and Risk	79

*Percentage of total Board and Committee meetings attended excluding special meetings
Miss W Randle acted as the Director of Governance and supported all Board committees during the financial year.

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

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 JULY 2022

The Corporation is provided with regular and timely information on the overall financial performance of the Group together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation has met nine times during the year - four scheduled meetings and five special meetings.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. During the year these committees were Audit and Risk, Finance and Resources, Curriculum and Quality, Higher Education, Remuneration and Search and Governance. As a result of Covid-19 meetings moved to a virtual platform; Microsoft Teams, as government restrictions eased the Board adopted a hybrid approach to meetings with Governors joining meetings by either Microsoft Teams or in person.

Full minutes of all meetings, excluding those items dealt with as confidential business, in accordance with the Corporation's agreed policy and recorded in the confidential minutes, are available on the College's website or from the Director of Governance at:

Cornwall College Head Office
Tregonissey Road, St. Austell, Cornwall PL25 4DJ.

The Director of Governance maintains a register of financial and personal interests of governors and senior staff. The Governors' register is available for inspection during office hours at the above address.

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

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board and Committee meetings. Briefings on specific strategic matters usually precede Board meetings and are also arranged on an ad-hoc basis along with development sessions. Governors are encouraged to visit campuses and invited to attend a wide variety of events.

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 external members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair of Governors and Principal and Chief Executive (Accounting Officer) are separate.

Appointments to the Corporation

Any appointments to the Corporation Board are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee which is responsible for selecting and recommending for appointment and reappointment any external member for the Corporation's consideration.

During the year ended 31 July 2022 the Search and Governance Committee, comprised seven governors including the Chair and Vice Chair of the Board, committee chairs and the Principal and Chief Executive. The committee met four times during the year and reviewed the Board's skills matrix and diversity to ensure that the Board continued to have the necessary skills to carry out its functions and remained committed to equality of opportunity.

Members of the Corporation are appointed for a term of office not exceeding four years and can be re- appointed for a second term of four years and exceptionally for further terms. The Corporation is responsible for ensuring that appropriate training and induction for new governors is provided as required.

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 JULY 2022

Subsidiary Companies

The Corporation has three wholly owned subsidiary companies, CC Education Services Limited, CCMS {2000) Limited and Western Edge Limited, a dormant company. The following persons acted as directors of the companies during the year:

Mr J Evans, Dr I Tunbridge (resigned 31/12/21) and Mr P Newberry (appointed 01/01/22) were directors of CC Education Services Limited.

Mr PH Child, Mrs M M Elwell (appointment ended on 26/04/2022), Mr J Evans, Mr A Ford, Mr C Stratton and Mr G Warring were directors of CCMS (2000) Limited.

Mr J Evans, Dr I Tunbridge (resigned 31/12/21) and Mr P Newberry (appointed 01/01/22) were directors of Western Edge Limited.

Miss W Randle was the Company Secretary.

Corporation performance

The Board has reviewed its performance as individual governors, Committees and as a Board, the Board also received an external Board review conducted by the Education and Training Foundation in January 2021 and plan to commission a further review for 2024. The Board agreed that the reviewed governance arrangements were working well, the Board have in place annual governance action plans and training and development plans to ensure continuous improvements are identified and embedded and to ensure the Board are suitably skilled in order to fulfil their roles and responsibilities

Training and development undertaken by the Board includes online College training, attendance at AoC South West conference, attendance at AoC Chairs and Principal networks and a mentoring offer. Pre Board meeting sessions are held to provide opportunities for training and development or strategic discussion with training delivered in Safeguarding and Prevent, and EDI, along with debates on the Quality of Education and impact of enrolments on Finances. Two Board Strategy Days are held each year incorporating sector updates, external speakers and focussed workshops to guide strategy development. The Board also have in place an initiative called Beyond the Boardroom to improve governors' knowledge and understanding of the Group and key stakeholders.

In 2021 Director of Governance undertook the IOD/ ETF Technical Aspects of being a Governance Professional programme and in 2022 supported another College for two months, both excellent CPD opportunities. They are also one of the Chairs for the SW AoC Governance Professional Networks. The mix of CPD opportunities means the Director of Governance is aware of good practice and sector updates.

The improvements in governance have been reported in the January 2022 FEC stock take visit and the February 2022 Ofsted Inspection.

Remuneration Committee

During the year ended 31 July 2022, the Remuneration Committee comprised six governors, including the Chair and Vice Chair of the Board and committee chairs. The Principal and Chief Executive is not a member of the committee, which is chaired by the Vice Chair of the Board and met once during the year. Its responsibilities are to decide and report to the Corporation on the remuneration and benefits of the Principal and Chief Executive, other senior post holders including the Director of Governance.

The Board, on the recommendation of the Remuneration Committee, adopted the Association of College's' Senior Staff Remuneration Code with effect from 3 April 2019. This Code identifies fair and appropriate remuneration as the key to the success and development of the college sector.

Details of remuneration for the year ended 31 July 2022 are set out in note 11 to the financial statements.

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 JULY 2022

Audit and Risk Committee

The Audit and Risk Committee comprised of six governors during the year ended 31 July 2022; plus two co-opted committee members; Jonathan Mashen, who then joined the Corporation as Governor and Leon Sargent who stepped down from the role on 17/03/22. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the Group's system of internal control and its arrangements for risk management, control and governance processes.

The Audit and Risk Committee meets at least three times a year; four members of the Committee attended 100% of the meetings eligible to attend and two attended 67%. The Committee provides a forum for reporting by the College's internal and financial statement auditors, who have access to the Committee for independent discussion, without the presence of management. The Committee also receives and considers reports from the Education and Skills Funding Agency (ESFA), Office for Students (OfS) and the European Social Fund (ESF) as they affect the College's business.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented. The Audit and Risk Committee also advises the Corporation on the appointment of both internal and financial statement auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation. The internal auditors were reappointed on 4 May 2022.

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 and Chief Executive, 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 individuals holding the role are personally responsible, in accordance with the responsibilities assigned to that role in the Financial Memorandum between the College and the Education and Skills Funding Agency. The Principal and Chief Executive is also responsible for reporting to the Corporation any material weaknesses or break-downs in internal control.

The purpose of the system of internal control

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 for the year ended 31 July 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation Board 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 year ended 31 July 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation Board.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 JULY 2022

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation Board;
- regular reviews by the Corporation Board 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.

The Group has an internal audit service which is provided on an outsourced basis, 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 Board on the recommendation of the Audit and Risk Committee.

As a minimum, the internal audit service annually provides the Corporation Board with a report on internal audit activity in the Group. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

During the year the risk management and recording was updated and implemented. Risks have been reviewed and linked to the College's strategic aims, clear ownership, mitigating actions and clear indication of trend of individual risks. Further information on the principal risks is provided in the strategic report.

Control weaknesses identified

Although all statutory inspections are completed, the internal auditors identified a weakness in the College's estates function regarding the reporting mechanism for these inspections and associated reports. Prior to the audit, the Group were in the process of purchasing specialist estates software to record and monitor.

It was identified during the internal audit that the negotiated apprenticeship price was not included in the written agreement. The College is now auto populating the costing model into written agreements.

Responsibilities under funding agreements

The College has complied with all of its funding agreements.

Statement from the Audit and Risk Committee

The Audit and Risk committee have shared with the Corporation the committee annual report which details the work of the Committee and the work of the internal audit and have advised the Corporation that there is an effective framework for governance and risk management, with effective internal controls in place.

TCCG have reacted to the Covid-19 situation with the relevant risk assessments and methods of working in place to create a Covid-19 safe place to work. Audit reports undertaken since the start of the pandemic have considered the effects of Covid-19 on the areas being tested.

All of the internal audit work for 2021/2022 was completed remotely by the College's internal auditors. All audits were completed prior to the signing of the annual accounts with the recommendations incorporated.

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 JULY 2022

The internal audits completed in 2021/2022 and up to the date of the approval of the financial statements were on staff utilisation processes, cyber security controls, equality diversity and inclusion framework, health and safety framework, learner number systems and follow-up of outstanding actions. RSM's opinion on the adequacy and effectiveness of TCCG's arrangements was as follows:

The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Review of effectiveness

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

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

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

The Executive Leadership Team (ELT) 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 ELT and Audit and Risk Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's agenda includes consideration of risk and control and to receive reports thereon from the ELT and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Corporation Board 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".

This report was approved by order of the members of the Corporation Board and signed on its behalf:

Mr P Newberry
Chair

Date: 13/12/2022

Mr J Evans
Principal and Chief Executive

Date: 13/12/2022

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 JULY 2022

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 Financial Memorandum. As part of our consideration we have had due regard to the requirements of the Financial Memorandum.

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 Corporation, or material non-compliance with the terms and conditions of funding under the Corporation's grant funding agreements and contracts with ESFA, or any other public funder.

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.

Mr P Newberry
Chair
Date: 13/12/2022

Mr J Evans
Principal and Chief Executive
Date: 13/12/2022

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STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION BOARD

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

Within the terms and conditions of the Financial Memorandum between the Education and Skills Funding Agency ('the Agency') and the Corporation Board of the College, the Corporation Board, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education and with the College Accounts Direction 2021 to 2022 issued by the ESFA, and which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements, the Corporation Board are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in business.

The Corporation is also required to prepare a Board report 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 the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation; 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 Board are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the ESFA are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time. Members of the Corporation Board must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation Board 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 by the Education and Skills Funding Agency are not put at risk.

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

Mr P Newberry Chair

Date: 13/12/2022

Independent auditors' report to the corporation of Cornwall College Further Education

Opinion
We have audited the financial statements of Cornwall College Further Education Corporation (the 'parent corporation') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Consolidated and College Statements of Comprehensive Income, the Consolidated and College Balance Sheets, the Consolidated and College Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2021 to 2022.

In our opinion, the financial statements:
- give a true and fair view of the state of the group's affairs as at 31 July 2022 and of the group's income and expenditure, gains and losses, changes in reserves and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, College Accounts Direction 2021 to 2022, and the Office for Students' Accounts Direction.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent 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.

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Post 16 Audit Code of Practice Issued by the Education and Skills Funding Agency ('ESFA') requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the group, or returns adequate for our audit have not been received from branches not visited by us; or

- the group's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Opinion on other matters prescribed by the Office for Students' Accounts Direction
In our opinion:

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

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

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

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

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

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the corporation's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the corporation's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the corporation's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the corporation ensured it met its obligations arising from it being financed by and subject to the governance requirements of the ESFA and OfS, and as such material compliance with these obligations is required to ensure the corporation will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the group and parent corporation ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal corporation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the corporation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the College Accounts Direction, the Office for Students' Accounts Direction, and the FE HE SORP,

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the corporation's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of corporation's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the ESFA and OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

These procedures were considered at both the parent corporation and subsidiary level as appropriate.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the corporation, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the corporation those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the corporation, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
Devon
PL4 0BN
Date:

Reporting accountant's assurance report on regularity to the Corporation of Cornwall College Further Education ("the 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 11 August 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, in all material respects, the expenditure disbursed and income received by Cornwall College Further Education Corporation during the period 1 August 2021 to 31 July 2022 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 ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of Cornwall College Further Education Corporation and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

he 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 and propriety.

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the College's activities;
- Evaluation and validation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the College's self-assessment questionnaire ("SAQ");
- Testing transactions with related parties;
- Sample testing of income to ensure that funds have been applied for the purposes that they were awarded, focused on areas assessed as high risk;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referenced to our regularity report.

The list is not exhaustive, and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 has not been applied to purposes intended by Parliament, and that the financial transactions do not conform to the authorities that govern them.

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
Devon
PL4 0BN
Date:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £000	2021 £000
Income			
Funding body grants	4	**29,042**	28,799
Tuition fees and education contracts	5	**8,698**	9,857
Research grants and contracts	6	**5,481**	4,864
Other income	7	**11,754**	9,104
Investment income	8	**11**	1
Total income		**54,986**	52,625
Expenditure			
Staff costs including exceptional restructuring costs of £359k (2021:£719k)	10	**(35,491)**	(35,650)
Other operating expenses	12	**(18,397)**	(16,435)
Depreciation	16/17	**(3,819)**	(3,565)
Interest and other finance costs	14	**(1,160)**	(932)
Total expenditure		**(58,867)**	(56,582)
(Deficit) before other gains and other losses		**(3,881)**	(3,957)
Profit/(loss) on disposal of fixed assets		**30**	(1,612)
(Deficit) before tax		**(3,851)**	(5,569)
Taxation	15	**-**	-
(Deficit) for the financial year		**(3,851)**	(5,569)
Actuarial Gain/(loss) on defined benefit pension scheme		**59,666**	(3,648)
Other comprehensive Income/(expense) for the financial year		**59,666**	(3,648)
Total comprehensive Income/(expense) for the financial year		**55,815**	(9,217)
(Deficit) for the financial year attributable to:			
Owners of the parent College		**(3,851)**	(5,569)
(Deficit) for the financial year		**(3,851)**	(5,569)
Total comprehensive Income/(expense) for the financial year attributable to:			
Owners of the parent College		**55,815**	(9,217)
Total comprehensive Income/(expense) for the financial year		**55,815**	(9,217)

The notes on pages 35 to 66 form part of these financial statements.

COLLEGE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022

		2022	2021
		£000	£000
Income			
Funding body grants	4	**29,042**	28,799
Tuition Fees and education contracts	5	**8,698**	9,857
Research grants and contracts	6	**5,481**	4,864
Other income	7	**7,369**	5,817
Investment income	8	**11**	1
Total income		**50,601**	49,338
Expenditure			
Staff costs including exceptional restructuring costs of £318k (2021: £719k)	10	**(34,812)**	(35,031)
Other operating expenses	12	**(14,877)**	(13,894)
Depreciation	16/17	**(3,806)**	(3,548)
Interest and other finance costs	14	**(1,153)**	(932)
Total expenditure		**(54,648)**	(53,405)
(Deficit)/surplus before other gains and losses		**(4,047)**	(4,067)
Profit/(loss) on disposal of fixed assets		**30**	(1,549)
(Deficit) before tax		**(4,017)**	(5,616)
Taxation	15	-	-
(Deficit) for the financial year		**(4,017)**	(5,616)
Actuarial Gains/(losses) on defined benefit pension scheme		**59,666**	(3,648)
Other comprehensive Income/(expense) for the financial year		**59,666**	(3,648)
Total comprehensive Income/(expense) for the financial year		**55,649**	(9,264)

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2022

	Note		2022 £000		2021 £000
Fixed assets					
Intangible assets	16		**125**		158
Tangible assets	17		**83,558**		85,925
Investments	18		**15**		15
			83,698		86,098
Current assets					
Stocks	19	**772**		658	
Debtors	20	**4,054**		4,422	
Cash at bank and in hand	21	**4,394**		5,014	
		9,220		10,094	
Creditors: amounts falling due within one year	22	**(7,007)**		(7,722)	
Net current assets			**2,213**		2,372
Total assets less current liabilities			**85,911**		88,470
Creditors: amounts falling due after more than one year	23		**(41,982)**		(43,476)
Provisions for liabilities					
Other provisions	26		**(1,635)**		(1,979)
Net assets excluding pension liability			**42,294**		43,015
Pension liability	29		**(13,356)**		(69,892)
Net (liabilities)/assets			**28,938**		(26,877)
Capital and reserves					
Revaluation reserve	27		**3,318**		3,500
Restricted reserve	27		**77**		77
Income and expenditure reserve	27		**25,543**		(30,454)
			28,938		(26,877)

The financial statements were approved and authorised for issue by the Corporation and were signed on its behalf by:

Mr P Newberry
Chair
Date: 13/12/2022

J Evans
Principal and Chief Executive
Date: 13/12/2022

COLLEGE BALANCE SHEET
AS AT 31 JULY 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	16		**125**		158
Tangible assets	17		**83,417**		85,771
Investments	18		**15**		15
			83,557		85,944
Current assets					
Stocks	19	**772**		658	
Debtors	20	**3,946**		4,500	
Cash at bank and in hand	21	**4,103**		4,260	
		8,821		9,418	
Creditors: amounts falling due within one year	22	**(6,539)**		(6,967)	
Net current assets			**2,282**		2,451
Total assets less current liabilities			**85,839**		88,395
Creditors: amounts falling due after more than one year	23		**(41,982)**		(43,476)
Provisions for liabilities					
Other provisions	26		**(1,635)**		(1,979)
Net assets excluding pension liability			**42,222**		42,940
Pension liability	29		**(13,356)**		(69,892)
Net liabilities			**28,866**		(26,952)
Capital and reserves					
Revaluation reserve	27		**3,318**		3,500
Restricted reserve	27		**77**		77
Income and expenditure reserve	27		**25,471**		(30,529)
			28,866		(26,952)

The financial statements were approved and authorised for issue by the Corporation and were signed on its behalf by:

Mr P Newberry
Chair
Date: 13/12/2022

J Evans
Principal and Chief Executive
Date: 13/12/2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022

	Revaluation reserve	Restricted reserve	Income and Expenditure reserve	Total reserves
	£000	£000	£000	£000
At 1 August 2021	3,500	77	(30,454)	(26,877)
Comprehensive expense for the financial year				
Deficit for the financial year	-	-	(3,851)	(3,851)
Actuarial gain on pension scheme	-	-	59,666	59,666
Total comprehensive expense for the financial year	-	-	55,815	55,815
Contributions by and distributions to owners				
Transfer from revaluation reserve to income and expenditure reserve	(182)	-	182	-
Release of revaluation reserve on sale of assets	-	-	-	-
Total transactions with owners	(182)	-	182	-
At 31 July 2022	3,318	77	25,543	28,938

COLLEGE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022

	Revaluation reserve	Restricted reserve	Income and expenditure reserve	Total reserves
	£000	£000	£000	£000
At 1 August 2021	3,500	77	(30,529)	(26,952)
Comprehensive expense for the financial year				
Deficit for the financial year	-	-	(4,017)	(4,017)
Actuarial gain on pension scheme	-	-	59,666	59,666
Total comprehensive expense for the financial year	-	-	55,649	55,649
Transfer from revaluation reserve to income and expenditure reserve	(182)	-	182	-
Gift aid	-	-	169	169
Total transactions with owners	(182)	-	351	169
At 31 July 2022	3,318	77	25,471	28,866

The notes on pages 35 to 66 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	2022 £000	*Restated 2021 £000
Cash flows from operating activities		
(Deficit) for the financial year	**(3,851)**	(5,569)
Adjustments for:		
Interest payable	**1,160**	932
Depreciation of tangible assets	**3,819**	3,565
(Profit)/loss on disposal of tangible assets	**(30)**	1,612
Decrease/(increase) in stocks	**(114)**	(99)
Decrease/(increase) in debtors	**368**	(48)
Increase/(decrease) in creditors	**(715)**	738
(Decrease)/increase in provisions	**(344)**	(849)
Difference between pension charge and contributions paid	**2,926**	2,345
Release of deferred capital grants	**(1,949)**	(1,910)
Net cash generated from operating activities	**1,270**	717
Cash flows from investing activities		
Purchase of intangible fixed assets	**-**	-
Purchase of tangible assets	**(2,296)**	(4,169)
Sale of tangible assets	**171**	727
Receipt of deferred capital grants	**1,065**	1,522
Release of deferred grant on disposal	**(748)**	(514)
Net cash used in investing activities	**(1,808)**	(2,434)
Cash flows from financing activities		
Repayment of loans/HP's	**(62)**	-
New finance leases	**-**	53
Interest paid	**(20)**	(30)
Net cash generated (used in) financing activities	**(82)**	23
Net (Decrease)/increase in cash and cash equivalents	**(620)**	(1,694)
Cash and cash equivalents at beginning of year	**5,014**	6,708
Cash and cash equivalents at the end of year	**4,394**	5,014
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**4,394**	5,014
Bank overdrafts	**-**	-
	4,394	5,014

*The comparative statement of cash flows has been updated to reflect additional lines to provide more detail regarding consolidated cash flows.

The notes on pages 35 to 66 form part of these financial statements

1. General information

Cornwall College Further Education Corporation (the "College") is a further education college.

The College is an exempt charity for the purposes of the Charities Act 2011 and is registered in the United Kingdom. The address of its registered office is: Cornwall College, Head Office, Tregonissey Road, St. Austell, Cornwall, PL25 4DJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice (SORP): Accounting for further and higher education 2019 and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102. The financial statements conform to guidance published jointly by the Education Skills Funding Agency - ESFA) in the 2021/22 Accounts Direction Handbook.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Going concern

The College cash reserves remained positive throughout 2021/22 and the College did not require any short-term borrowing. An overdraft facility has been provided by Barclays Bank, but as cash reserves are forecast to remain positive, the College does not envisage using this facility in the short or medium term. The impact of COVID-19 has had a diminishing impact on the College's finances for 2021/22 and the College had a strong cash position throughout the year. The College has factored in a reduction in learner numbers for 2022/23, as well as increased costs due to inflationary pressures, allowing for these factors the College continues to forecast a positive cash position in the medium term. Therefore, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Please refer to the Board Report for further information around the future prospects of the Group.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquirer’s identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group chose not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 August 2014.

2. Accounting policies (continued)

2.4 Recognition of income

The recurrent grants from the funding bodies and OFS represent the funding allocations attributable to the current financial year and are credited directly to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income.

Funding body recurrent grants are recognised in line with best estimates for the year of what is receivable and depend on the particular income stream involved. Any under or over achievement for the adult learner responsive funding 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 bodies at the end of November following the year end. Employer responsive grant income is recognised based on a year- end reconciliation of income claimed and actual delivery with the ESFA. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Other discrete Funding body funds received during the year are taken to income as expenditure is incurred in line with the specific terms and conditions attached to each fund by the Funding bodies.

Where the College receives and disburses funds in which it has no direct beneficial interest, such funds are excluded from the income and expenditure account on the grounds that the College does not have direct control over the future economic benefits derived from these funds. The College has applied this policy to certain funds received during the year from the Funding bodies (see note 32).

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Income from tuition fees are recognised net of discounts in the year for which it is receivable and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the income and expenditure account in the year in which it is earned.

2.5 Agency arrangements

TCCG acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. 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.

2.6 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.6 Tangible assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	25-50 years
Long-term leasehold property	Shorter of 50 years and period of lease
Short-term leasehold property	Shorter of 50 years and period of lease
Office equipment	3-25 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Intangible assets

Software is capitalised over 5 years or in accordance with its useful life.

The College depreciates its assets in the year after acquisition.

2.8 Revaluation of tangible assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market-based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2. Accounting policies (continued)

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the College's cash management.

2. Accounting policies (continued)

2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees through the Teachers' Pension Scheme (TPS). The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives within the College in such a way that the pension costs 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 expenses in the income statement in the years during which services are rendered by employees.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees through the Devon County Council and Cornwall County Council Local Government Pension Schemes (LGPS). A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Balance Sheet date less the fair value of plan assets at the Balance Sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the year; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.17 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.20 Capital grant funding

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

2.21 Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pensions of a former member of staff is charged in full to the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Balance Sheet using the enhanced pensions spreadsheet provided by the funding bodies.

2. Accounting policies (continued)

2.22 Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives related to leases signed after 1st August 2014 are spread over the minimum lease term.

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

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

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

2.23 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.

2.24 Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

(a) Judgements in applying accounting policies

(i) Exemptions on transition to FRS 102
The Company has elected to use the previous UK GAAP valuation of certain items of land and buildings as the deemed cost on transition to FRS 102. The items are being depreciated from the date of transition (1 July 2015) in accordance with the company's accounting policies.

(b) Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re- assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the property plant and equipment, and note 2.6 for the useful economic lives for each class of assets.

(ii) Impairment of debtors
The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 20 for the net carrying amount of the debtors and associated impairment provision.

(iii) Defined benefit pension scheme
The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 29 for the disclosures relating to the defined benefit pension scheme.

4. Funding body grants

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Recurrent grant	**21,204**	20,951	**21,204**	20,951
Non-recurrent grant	**6,723**	6,723	**6,723**	6,723
Releases of deferred capital grants (from funding bodies)	**1,115**	1,125	**1,115**	1,125
	29,042	28,799	**29,042**	28,799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

5. Tuition fees and education contracts

	Group 2022 £000	Group 2021 £000	College 2022 £000	College 2021 £000
Tuition fees	**7,705**	8,756	**7,705**	8,756
Education contracts	**993**	1,101	**993**	1,101
	8,698	9,857	**8,698**	9,857

6. Research grants and contracts

	Group 2022 £000	Group 2021 £000	College 2022 £000	College 2021 £000
European Commission	**2,662**	2,497	**2,662**	2,497
Other grants and contracts	**2,819**	2,367	**2,819**	2,367
	5,481	4,864	**5,481**	4,864

7. Other income

	Group 2022 £000	Group 2021 £000	College 2022 £000	College 2021 £000
Farming activities	**1,509**	1,338	**1,509**	1,338
Recruitment services	**4,320**	3,225	**13**	15
Releases from deferred capital grants (non-ESFA)	**834**	785	**834**	785
Release from restructuring facility grant	**-**	-	**-**	-
Other income	**5,091**	3,756	**5,013**	3,679
	11,754	9,104	**7,369**	5,817

8. Investment income

	Group 2022 £000	Group 2021 £000	College 2022 £000	College 2021 £000
Bank interest receivable	**11**	1	**11**	1

NOTES TO THE **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022**

9. OFS grant and fee income

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Grant income from the OFS	**524**	590	**524**	590
Grant income from other bodies	**28,518**	28,327	**28,518**	28,327
Fee income for taught awards (ex. VAT)	**5,513**	6,044	**5,513**	6,044
Fee income from non-qualifying courses (ex. VAT)	**2,349**	2,929	**2,349**	2,929
	36,904	37,890	**36,904**	37,890

10. Staff costs

The average monthly number of persons employed by the Group (including senior post holders} during the year, expressed as full-time equivalents, was as follows:

	Group 2022 Number	Group 2021 Number	**College 2022 Number**	College 2021 Number
Teaching staff	**386**	**412**	**386**	**412**
Non teaching staff	**616**	**611**	**601**	**591**
	1,002	**1,023**	**987**	**1,003**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

10. Staff costs (continued)

Staff costs for the above persons were as follows:

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Teaching staff	**17,072**	17,750	**17,072**	17,750
Non teaching staff	**15,825**	15,299	**15,187**	14,680
Restructuring costs	**359**	719	**318**	719
Contracted out services	**438**	439	**438**	439
Local Government pension retirement benefit charge	**1,797**	1,443	**1,797**	1,443
	35,491	35,650	**34,812**	35,031

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Wages and salaries	**26,421**	26,825	**25,865**	**26,300**
Social security costs	**2,281**	2,146	**2,229**	**2,094**
Other pension costs	**5,992**	5,521	**5,962**	**5,479**
Restructuring costs	**359**	719	**318**	**719**
Payroll sub total	**35,053**	35,211	**34,374**	**34,592**
Contracted out services	**438**	439	**438**	**439**
	35,491	35,650	**34,812**	**35,031**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

11. Emoluments of senior post holders and members

Senior postholders are defined as members of the senior management team.

	Group 2022 Number	Group 2021 Number	**College 2022 Number**	College 2021 Number
The number of senior postholders including the Principal was	**3**	3	**3**	3

Senior postholders' emoluments are made up as follows:

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Salaries	**420**	421	**420**	421
Taxable benefits	**64**	36	**64**	36
Pension contributions	**48**	78	**48**	78
Total emoluments	**532**	535	**532**	535

The emoluments of the principal are made up as follows:

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Salaries	**195**	195	**195**	195
Taxable benefits	**64**	36	**64**	36
Pension contributions	**-**	31	**-**	31
	259	262	**259**	262

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

11. Emoluments of senior post holders and members (continued)

Group and College

	2022	**2022**	2021	2021
	Number of senior post-holders	**Number of other staff**	Number of senior post-holders	Number of other staff
£20,0001 to £30,000	-	-	-	1
£50,001 to £60,000	-	-	-	1
£60,001 to £70,000	-	-	-	-
£70,001 to £80,000	-	2	-	2
£80,001 to £90,000	-	2	-	-
£90,001 to £100,000	-	1	-	2
£100,001 to £110,000	-	-	1	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	1	-	1	-
£140,001 to £150,000	1	-	-	-
£200,001 to £210,000	-	-	-	-
£210,001 to £220,000	-	-	-	-
£220,001 to £230,000	-	-	-	-
£230,001 to £240,000	-	-	1	-
£250,001 to £260,000	1	-	-	-

Key management personnel who left during the year have not been included in the figures above

The College uses the AOC's Senior Pay Survey Benchmarking information to set senior post holder's pay and benchmarks itself against colleges of similar size using the survey's stratification of colleges based on levels of income.

The College's policy on staff earning income from external activities is that if those activities occur during what would otherwise be normal working times for staff members that the income for such work should be paid to the college or the staff member concerned should take annual or unpaid leave.

Relationship of Principal pay and remuneration expressed as a multiple

	2022	2021
Principal's basic salary as a multiple of the median of all staff	**8.0**	7.8
Principal total remuneration as a multiple of the median of all staff	**10.6**	10.5

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

12. Other operating expenses

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Teaching costs	**7,513**	6,744	**7,498**	6,715
Non teaching costs	**7,750**	6,542	**4,311**	4,064
Premises costs	**3,134**	3,149	**3,068**	3,115
	18,397	16,435	**14,877**	13,894

Other operating expenses include:

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Auditors' remuneration:				
External Audit*	**60**	52	**43**	40
Internal audit**	**31**	34	**31**	34
Other services from external audit	**22**	17	**4**	-
Other services from internal audit	**9**	12	**9**	12
Operating lease charges	**212**	158	**212**	158

* Includes £39,516 in respect of the College (2021: £44,088)
** The remuneration is wholly in respect of the College

13. Access and participation expenditure

Consolidated and College

	Staff Costs 2022 £000	**Other Operating Expenses 2022 £000**	**Staff Costs** 2021 £000	**Other Operating Expenses** 2021 £000
Access investment	**58**	**24**	129	8
Financial support	**3**	**55**	3	100
Financial support Covid-19 hardship	**-**	**-**	-	84
Disability support	**74**	**-**	83	-
Research and evaluation	**6**	**-**	6	-
	141	**79**	221	192

The College's Access and Participation Plans are available at: www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/provider/10001696

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

14. Interest and other finance costs

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
On bank loans and overdrafts	**-**	2	**-**	2
Enhanced pensions	**31**	28	**31**	28
Local Government pensions	**1,129**	902	**1,122**	902
	1,160	932	**1,153**	932

15. Taxation

Profits generated by trading companies are gift aided to the College and the companies are therefore charged corporation tax of £Nil (2021: £Nil).

There is no tax charge due to the exemption provided under the Charities Act 2011.

16. Intangible assets

Group and College	Computer software £000
At 1 August 2021	196
Additions	6
At 31 July 2022	**202**
Accumulated depreciation	
At 1 August 2021	38
Charge for year	39
At 31 July 2022	**77**
Net book value	
At 31 July 2022	**125**
At 31 July 2021	158

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

17. Tangible assets

Group

	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Office equipment £000	Total £000
Cost					
At 1 August 2021	99,711	10,052	1,443	18,704	129,910
Additions	703	147	-	1,446	2,296
Disposals	(1,072)	(12)	(27)	(983)	(2,094)
At 31 July 2022	**99,342**	**10,187**	**1,416**	**19,167**	**130,112**
Depreciation					
At 1 August 2021	28,345	1,802	1,383	12,455	43,985
Charge for the year on owned assets	1,905	202	8	1,665	3,780
Disposals	(217)	(3)	(16)	(975)	(1,211)
At 31 July 2022	**30,033**	**2,001**	**1,375**	**13,145**	**46,554**
Net book value					
At 31 July 2022	**69,309**	**8,186**	**41**	**6,022**	**83,558**
At 31 July 2021	71,365	8,250	60	6,249	85,925

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

17. Tangible assets (continued)

College

	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Office equipment £000	Total £000
Cost					
At 1 August 2021	99,711	10,052	1,443	18,432	129,638
Additions	703	147	-	1,444	2,294
Disposals	(1,072)	(12)	(27)	(983)	(2,094)
At 31 July 2022	**99,342**	**10,187**	**1,416**	**18,893**	**129,838**
Depreciation					
At 1 August 2021	28,346	1,803	1,383	12,336	43,868
Charge for the year on owned assets	1,904	202	8	1,652	3,766
Disposals	(217)	(3)	(16)	(977)	(1,213)
At 31 July 2022	**30,033**	**2,002**	**1,375**	**13,011**	**46,421**
Net book value					
At 31 July 2022	**69,309**	**8,185**	**41**	**5,882**	**83,417**
At 31 July 2021	71,365	8,249	60	6,096	85,770

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

17. Tangible assets (continued)

Land and buildings were valued for the purpose of the 1994 financial statements at depreciated replacement cost by Stratton & Holborrow, a firm of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes. Other tangible fixed assets inherited from the local education authority at incorporation have been valued by the Corporation on a depreciated replacement cost basis with the assistance of independent professional advice.

The Company applied the transitional arrangements of Section 35 of FRS 102 and used a previous valuation as the deemed cost for its land and buildings. The land and buildings are being depreciated from the valuation date. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to retained earnings.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022	2021
	£000	£000
Group and College		
Revaluation	**3,318**	3,500
Net book value	**3,318**	3,500

Land and buildings with a net book value of £35,411,000 (2021: £35,946,000) have been financed from exchequer funds. Should these assets be sold, the College may be liable, under the terms of the financial memorandum with the Council, to surrender the proceeds.

Fixed assets include land and buildings with a net book value of £38,807,000 (2021: £43,242,000) which have been partially funded by a grant from the funding agencies. The receipt in the current year was £1,265,000 (2021: £1,694,000). The Council does not have the power to guarantee future funding streams to colleges and cannot guarantee that this funding will continue after the current year. Provision has not, therefore, been made for anticipated future receipts.

The net book value of equipment includes an amount of £90,840 (2021: £152,713) in respect of assets held under finance leases.

18. Investments

Group and College

	Investments In subsidiary companies £000
Cost and net book value	
At 1 August 2021	**15**
At 31 July 2022	**15**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

18. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the College:

Name	Registered office	Principal activity	Class of shares	Holding
CC Education Services Limited	Cornwall College, Tregonissey Road, St Austell, Cornwall, PL25 4DJ	Supply of property services	Ordinary	100 %
CCMS (2000) Limited	Cornwall College, Tregonissey Road, St Austell, Cornwall, PL25 4DJ	Supply of recruitment services	Ordinary	100 %
Western Edge Limited	Cornwall College, Tregonissey Road, St Austell, Cornwall, PL25 4DJ	Dormant	Limited by guarantee	

19. Stocks

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Livestock and growing crops	**562**	436	**562**	436
Consumables and goods for resale	**210**	222	**210**	222
	772	658	**772**	658

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

20. Debtors

	Group 2022 £000	Group 2021 £000	College 2022 £000	College 2021 £000
Amount due within one year				
Trade debtors	**1,026**	1,246	**436**	618
Amounts owed by group undertakings	-	-	**589**	803
Other debtors	**1,352**	1,172	**1,245**	1,082
Prepayments and accrued income	**1,676**	2,004	**1,676**	1,997
	4,054	4,422	**3,946**	4,500

Trade debtors includes a provision for impairment of £Nil (2021: £Nil).

21. Cash at bank and in hand

	Group 2022 £000	Group 2021 £000	College 2022 £000	College 2021 £000
Cash at bank and in hand	**4,394**	5,014	**4,103**	4,260
	4,394	5,014	**4,103**	4,260

22. Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	College 2022 £000	College 2021 £000
Payments received on account	**730**	591	**730**	591
Trade creditors	**331**	944	**330**	941
Amounts owed to group undertakings	**-**	-	**-**	(226)
Other amounts owed to funding bodies	**2,257**	2,296	**2,257**	2,296
Other taxation and social security	**-**	54	-	-
Obligations under finance lease and hire purchase contracts	**61**	62	**61**	62
Other creditors	**98**	72	**58**	72
Accruals and deferred income	**3,530**	3,703	**3,103**	3,231
	7,007	7,722	**6,539**	6,967

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

23. Creditors: amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Deferred capital grants	**41,952**	43,385	**41,952**	43,385
Net obligations under finance leases and hire purchase contracts	**30**	91	**30**	91
Restructuring facility grants	**-**	-	**-**	-
	41,982	43,476	**41,982**	43,476

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Within one year	**61**	62	**61**	62
Between 1-5 years	**30**	91	**30**	91
	91	153	**91**	153

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

25. Deferred capital grants

Group & College	**ESFA £000**	**Other grants £000**	**Total £000**
At 1 August 2021			
Land and buildings	17,423	22,805	40,228
Equipment	2,458	556	3,014
Software	142	-	142
	20,023	**23,361**	**43,384**
Capital grants received/due:			
Land and buildings	297	90	387
Equipment	60	818	878
Software	-	-	-
	357	**908**	**1,265**
Released to income and expenditure account:			
Land and buildings	(413)	(1,396)	(1,809)
Equipment	(671)	(182)	(853)
Released on disposal of fixed assets	(35)	-	(35)
	19,261	**22,691**	**41,952**
At 31 July 2022			
Land and buildings	**17,307**	**21,499**	**38,806**
Equipment	**1,847**	**1,192**	**3,039**
Software	**107**	**-**	**107**
At 31 July 2022	**19,261**	**22,691**	**41,952**

Non-recurrent grants received from the funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with the depreciation over the life of the fixed assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

26. Other provisions

Group and College

	Enhanced Pensions £000	Restructuring £000	Total £000
At 1 August 2021	1,944	35	1,979
Charged to profit or loss	(31)	300	**269**
Utilised in year	(278)	(335)	**(613)**
At 31 July 2022	**1,635**	**-**	**1,635**

Contractual enhanced pension payments made in year to past employees pension funds. Restructuring costs include redundancy payments paid to employees and attributable costs in relation to these.

27. Reserves

Revaluation reserve

The revaluation reserve represents any increases in the carrying amounts of tangible assets on revaluation.

Restricted reserve

The restricted reserve represents amounts recognised in the Statement of Comprehensive Income which are restricted by legally binding conditions to specific purposes.

Income and expenditure reserve

The income and expenditure reserve represents all net gains and losses and transactions with owners (e.g. dividends) that are not recognised elsewhere.

28. Contingent liabilities Group and College

During 2018/19 the College recognised £22.1m in income associated with its Department of Education Restructuring Facility. Other project costs represent in year costs incurred in support of improving the College's financial and quality outcomes, including: staff restructuring costs, legal costs, curriculum efficiency reviews and resources to improve the quality of education delivery.

The College is required to achieve several outcomes as per the agreement, which the College is confident of achieving. However, if not all outcomes are achieved, the funding received could be paid back to the Department of Education.

29. Pension liability

The College's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. The schemes are managed by Hymans Robertson LLP for the Cornwall Council scheme and Barnett Waddingham Consulting firm for the Devon County Council scheme. Both are defined- benefit schemes.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. 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.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 5 March 2019. The key results of the valuation are:

- New employer contribution rates were set at 23.68% of pensionable pay (including administration fees of 0.08%);
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay:
- the assumed real rate of return is 2.8% pa real; 4.86% pa nominal until 2019 and then 2.4% pa real; 4.45% nominal.

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FOR THE YEAR ENDED 31 JULY 2022

29. Pension liability (continued)

The new employer contribution rate for the TPS was implemented in September 2019. The next valuation of the TPS is currently underway based on April 2021 data.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1157th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to the TPS in the year amounted to £2,774,005 (2021: £2,494,463).

Mortality

The expectations of life are explained as being representative of the average mortality assumption across the whole Fund membership such that there may be some differences in either the current year or prior year or in the relative movements year on year from the actual assumption applied for the College membership.

FRS 102 (28)

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.

29. Pension liability (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by Cornwall Council and Devon Council Local Authorities. The total contribution made for the year ended 31 July 2022 was £2,595,000 (2021: £3,031,000) of which employers' contributions totalled £2,168,000 (2021: £2,545,000) and employees' contributions totalled £427,000 (2021: £486,000).

The pensions cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 July 2022
Actuarial method	Projected Unit
Pension increases per annum	2.75%
Salary scale increases per annum	2.75%
Market value of assets at date of last valuation (Cornwall and Devon Schemes)	£110.518m

Cornwall Council pensions and similar obligations

Composition of plan assets:

	2022 £000	2021 £000
Total plan assets	**100,038**	98,205

	2022 £000	2021 £000
Fair value of plan assets	**100,038**	98,205
Present value of plan liabilities	**(111,741)**	(158,123)
Net pension scheme liability	**(11,703)**	(59,918)

The amounts recognised in profit or loss are as follows:

	2022 £000	2021 £000
Current service cost	**(3,592)**	(3,494)
Net interest on obligation	**(603)**	(764)
Losses on curtailments and settlements	**-**	(99)
Total	**(4,195)**	(4,357)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

29. Pension liability (continued)

Reconciliation of fair value of plan liabilities were as follow:

	2022 £000	2021 £000
Opening defined benefit obligation	**(158,123)**	(140,547)
Current service cost	**(3,592)**	(3,494)
Interest cost	**(2,540)**	(1,978)
Contributions by scheme participants	**(391)**	(446)
Actuarial Gains/(losses)	**50,347**	(13,976)
Past service costs (including curtailments)	**-**	(99)
Benefits paid	**2,558**	2,417
Closing defined benefit obligation	**(111,741)**	(158,123)

Reconciliation of fair value of plan assets were as follows:

	2022 £000	2021 £000
Opening fair value of scheme assets	**98,205**	86,584
Interest income on plan assets	**1,937**	1,214
Actuarial gains/(losses)	**-**	9,963
Contributions by employer	**2,063**	2,415
Contributions by scheme participants	**391**	446
Benefits paid	**(2,558)**	(2,417)
	100,038	98,205

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	**3.5**	1.6
Future salary increases	**2.75**	2.85
Future pension increases	**2.75**	2.85

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

29. Pension liability (continued)

Devon County Council pensions and similar obligations

Composition of plan assets:

	2022 £000	2021 £000
Equities	**1,001**	1,258
Overseas equities	**5,445**	6,469
Gilts	**2,087**	1,630
Other bonds	**270**	236
Property	**1,204**	970
Infrastructure	**890**	457
Cash	**85**	117
Alternative assets	**(3)**	1
Absolute return funds	**1,127**	1,175
Total plan assets	**12,106**	12,313

	2022 £000	2021 £000
Fair value of plan assets	**12,106**	12,313
Present value of plan liabilities	**(13,759)**	(22,287)
Net pension scheme liability	**(1,653)**	(9,974)

The amounts recognised in profit or loss are as follows:

	2021 £000	2021 £000
Current service cost	**(366)**	(388)
Net interest on obligation	**(158)**	(138)
Administrative expenses	**(7)**	(7)
Total	**(531)**	(533)
Actual return on scheme assets	**(17)**	1,973

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

29. Pension liability (continued)

Reconciliation of fair value of plan liabilities were as follow:

	2022 £000	2021 £000
Opening defined benefit obligation	**(22,287)**	(20,399)
Current service cost	**(366)**	(364)
Interest cost	**(354)**	(284)
Contributions by scheme participants	**(36)**	(40)
Actuarial (losses)/gains	**8,960**	(1,462)
Past service costs (including curtailments)	**-**	(24)
Benefits paid	**324**	286
Closing defined benefit obligation	**(13,759)**	(22,287)

Reconciliation of fair value of plan assets were as follows:

	2022 £000	2021 £000
Opening fair value of scheme assets	**12,313**	10,463
Interest income on plan assets	**196**	146
Actuarial (losses)/gains	**(213)**	1,827
Contributions by employer	**105**	130
Contributions by scheme participants	**36**	40
Administrative expenses	**(7)**	(7)
Benefits paid	**(324)**	(286)
Closing fair value of scheme assets	**12,106**	12,313

	2022 %	2021 %
Discount rate	**3.40**	1.60
Future salary increases	**3.80**	3.85
Future pension increases in payments	**2.80**	2.85
Future deferred pension increases	**2.80**	2.85
Mortality rates		
- for a male aged 65 now	**21.7 years**	22.7 years
- at 65 for a male aged 45 now	**22.9 years**	24.0 years
- for a female aged 65 now	**23.0 years**	24.0 years
- at 65 for a female member aged 45 now	**24.3 years**	25.4 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

30. Commitments under operating leases

At 31 July the Group and the College had future minimum lease payments due under non-cancellable operating leases for each of the following years:

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Not later than 1 year	**478**	371	**439**	321
Later than 1 year and not later than 5 years	**839**	539	**797**	444
Later than 5 years	**592**	773	**592**	773
	1,909	1,683	**1,828**	1,538

31. Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £524 (2021: £3,664). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governors meetings and charity events in their official capacity. No governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2021: none).

32. Learner support funds

	Group 2022 £000	Group 2021 £000	**College 2022 £000**	College 2021 £000
Funding body grants - hardship support	**1,899**	1,566	**1,899**	1,566
Funding body grants - residential bursaries	**423**	445	**423**	445
	2,322	2,011	**2,322**	2,011
Disbursed to students	**(1,962)**	(1,814)	**(1,962)**	(1,814)
Administration costs	**(89)**	(90)	**(89)**	(90)
Balance unspent at 31 July included in creditors	**271**	107	**271**	107

ESFA 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 have therefore been excluded from the income and expenditure account, other than when the College has directly incurred expenditure itself. The income and expenditure consolidated in the College's financial statements relates to the purchase of some equipment from the access fund and travel and accommodation related expenses for students incurred by the College.

33. Post balance sheet events

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector institutions. This decision is retrospective to April 1993. The Department for Education introduced some new rules for colleges with immediate effect. None of these rule changes have a significant impact on Cornwall College. The Department for Education is expected to continue to review this change and issue further guidance over the coming 12 to 24 months. The College will also continue to keep further changes under consideration.