



**Report and Financial Statements**

**Year ended 31 July 2021**

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**HOLY CROSS COLLEGE****CONTENTS**

	<b>Page</b>
Reference and Administrative Details	2
Report of the Governing Body	3-17
Statement of Corporate Governance and Internal Control	18-25
Statement of Regularity, Propriety and Compliance	26
Statement of Responsibilities of the Members of the Governing Body	27
Independent Auditor's report on the Financial Statements	28-31
Independent Reporting Accountant's Report on Regularity	32-33
Statement of Comprehensive Income and Expenditure	34
Statement of Changes in Reserves	35
Balance Sheet	36
Statement of Cash Flows	37
Notes to the Financial Statements	38-57

## HOLY CROSS COLLEGE

### Reference and Administrative Details

#### Key Management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2020/21:

Principal and Accounting Officer	Ms C Vitti (appointed 17 August 2020) Dr D H Frost (retired 31 August 2020)
Deputy Principal	Ms R McKelvey (appointed 17 August 2020) Mrs R Szolkowska (resigned 31 August 2020)
Vice Principal Finance and Resources	Mrs A M Cassidy
Vice Principal Curriculum	Miss A Hallworth (retired 31 August 2020)
Assistant Principal	Mrs S O Connor
Assistant Principal	Miss M Glynn
Assistant Principal	Miss J Fenton
Assistant Principal	Mr N Howarth

#### Board of Governors

A full list of Governors is given on page 18 and 19 of these financial statements.

Mrs E Hoyle is the Clerk to the Governors.

#### Professional Advisors

External Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Landmark St Peter's Square 1 Oxford Street Manchester M1 4PB
Internal Auditor	RSM Risk Advisory Services LLP 9 <sup>th</sup> Floor 3 Hardman Street Manchester M3 3HF
Bankers	Lloyds Bank plc 45 The Rock Bury Lancashire BL9 0JP
Solicitors	Eversheds Sutherland Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

## HOLY CROSS COLLEGE

### STRATEGIC REPORT

#### Report of the Governing Body

#### OBJECTIVES AND STRATEGIES:

The members of the Governing Body present their report and audited financial statements for the year ended 31 July 2021. The report reviews the college's activities in the year 2020-2021 in the context of the challenges and risks within which it operates.

#### Legal Status

The college was designated under The Further Education Act 1992, as amended by Schedule 8 to the ASCL Act 2009. It is a charity but does not have a separate registration from the land-owning charity, the Diocese of Salford. On the 1 April 2001 the governing body was incorporated under section 143 of the Learning and Skills Act 2001 and is an exempt charity for the purposes of the Charities Act 2011.

#### Mission, Vision Strategy and Objectives

*Holy Cross, founded by the Daughters of the Cross, is a Catholic Sixth Form College and University Centre, which exists to provide a high quality of education within a community based on Gospel values.*

*We provide the opportunity for each person to develop spiritually, morally and intellectually and we welcome students and staff of all faiths.*

At Holy Cross our ethos and mission and the legacy of our founders, the Daughters of the Cross remain at the heart of our planning. It is a vision centred on people and on individuals since the Daughters of the Cross will 'never separate the love of God from the love of people'.

During 2020/21 the college focussed its energy in continual improvement of curriculum quality across all subjects even those already performing highly. The mantra of one college, one student experience was at the forefront of all that we did. Throughout the year and particularly during a further period of lockdown due to nationwide measures imposed as a response to Coronavirus in January 2021 dedicated staff made sure students had access to resources to continue their courses and continued support with online learning. Progress tutors and counsellors systematically supported the most vulnerable within the student cohort throughout the period to prevent disadvantage or personal circumstances becoming a barrier to learning. Despite the ongoing challenges of the pandemic, students never failed to impress with their determination, thirst for knowledge and eagerness to contribute. The summer term was particularly challenging for those students facing their assessments and mock examinations which would contribute to their final Teachers assessed grades for A Level and BTEC results. Management and Curriculum leaders and teaching staff worked professionally, methodically and consistently to collate data that was used for the Teacher assessed grades. Students were supported onto their next step to University or employment when the overall exam grades were released in August 2021. Towards the end of the academic year planning switched to preparations for 2021/22 delivery with a key focus to get students back to college, identifying progress or gaps in knowledge and then build their confidence to undertake their new academic studies following a prolonged period of working from home.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

The Strategic Aims and Objectives (2021-2023) drive our vision for the future with specific actions and key performance indicators set annually to achieve our goals.

**Strategic Aim 1:** To develop each person as an individual within a community based on Gospel values and those of the Daughters of the Cross.

Objective 1.1: Create a culture of support and trust in which all members of our college community can grow in faith, hope and charity to reach their full potential.

Objective 1.2: Prepare our students to be valued and valuable citizens in College and in wider society.

Objective 1.3: Celebrate the college's community life, involving all in promoting its values and achievements.

Objective 1.4: Maintain strong links with our founders, the Daughters of the Cross and our trustees, the Diocese of Salford.

**Strategic Aim 2:** To provide outstanding education and promote excellence in all aspects of college life.

Objective 2.1: To demonstrate highly effective leadership and management focused on consistency and clarity.

Objective 2.2: To promote excellence in all aspects of curriculum planning, learning, teaching and assessment, using strategies which are led by research and respond effectively to change.

Objective 2.3: To ensure the personal development, behaviour and welfare of the College community across the pastoral and curriculum provision.

Objective 2.4: To promote high expectations of what all staff and students can achieve, so that each achieves their full potential.

**Strategic Aim 3:** To work in partnership to promote excellence and to ensure that Holy Cross enhances the life chances and aspirations of our local community and beyond.

Objective 3.1: Ensure an inclusive curriculum that supports and enables progression to Higher Education, training and employment.

Objective 3.2: Develop the Excellence for All programme to raise aspirations of current and prospective students.

Objective 3.3: Further develop the Marketing Strategy to ensure the effective promotion of the College.

Objective 3.4: Plan and monitor financially to ensure efficient deployment of all college resources to support excellent outcomes for students.

Objective 3.5: Ensure a college community which is well informed and supported to respond effectively to change

A robust self-assessment process and report describes the measures, effectiveness and capacity to improve on a college area by area basis. It builds on the strengths of the provision and critically evaluates where further improvements can be made to achieve the overall aims of the strategic plan.

## HOLY CROSS COLLEGE

### **Report of the Governing Body (continued)** **Resources**

The College has a range of resources that it can deploy in pursuit of its strategic objectives. The College employed 164 (FTE) people, of who 134 (FTE) are teaching staff and progress tutors.

During 2020/21 the college educated 2135 learners in the age range 16-18 years old (2019/20 1,979). This was much higher than the funded learners of 2005 based on lagged student numbers from 2019/20 plus in year growth funding for 26 of the extra 156 educated. The overall funding for the year per the contract with the Education and Skills Funding Agency was £9,487,707 (2019/20 £8,534,292). Additional income provided by the ESFA to compensate for the costs of on-site asymptomatic testing of all students, before the start of September 2020 amounted to £24,800. In addition, over 300 learners studied on a Higher Education programme at Holy Cross University Centre. The programmes consisted of a variety of BA/BSc degrees, Foundation degrees and Top ups.

The College has £10.6 million of net assets (including £5.3 million pension liability) and no long-term debt. The college site is owned by the Diocese of Salford with the college having beneficial use of the land and building under 99 year lease.

The College has a good reputation locally and nationally and works consistently to maintain a quality brand to attract students and foster excellent external relationships with its stakeholders.

The college is rated Ofsted 'Good' (December 2018). The Inspection report concluded 'Teachers use their excellent knowledge, expertise and detailed understanding of assessment requirements to prepare students thoroughly for their examinations'. It also commented that 'Student programmes are skilfully designed to provide students with a range of opportunities to develop their personal, social, ethical and moral understanding of the world in which they live, reflecting the values and ethos of the college'.

The college is registered with the Office for Students and holds a Bronze award for the Teaching Excellence Framework (TEF) which recognises high quality teaching and student outcomes in Higher Education. The four primary regulatory objectives of registration are that all students, from all backgrounds, and with the ability and desire to undertake higher education:

1. Are supported to access, succeed in, and progress from higher education.
2. Receive a high-quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure.
3. Are able to progress into employment or further study, and their qualifications hold their value over time.
4. Receive value for money.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

#### Stakeholders

The college has many stakeholders listed below and recognises the importance of these relationships by engaging in regular communication with them through Open events, interview evenings, the college internet site and face to face in organised meetings or consultations and through invitations to college social events:

- its current, future and past students
- its staff and their trade unions, the National Education Union and Unison
- professional organisations with the FE sector
- its partner schools and Universities, Liverpool Hope University and Edge Hill University
- the wider college community
- Bury Local Authority and the Manchester Combined Authority

#### Public Benefit Statement

The college is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body who are trustees of the charity, are disclosed on page 18 and 19. In setting and reviewing the college's strategic objectives, the Governing Body has had due regard for the Charity Commission guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. In delivering its mission, the college provides identifiable public benefits through the advancement of education to around 2100 students annually, including 12-15 students annually with high needs.

The college provides a range of level 2 and level 3 courses without charge to young people. The college is committed to providing information, advice and guidance to the students it enrolls and to finding suitable course for as many students as possible regardless of their educational background.

### DEVELOPMENT AND PERFORMANCE

#### Financial Results

The college made a surplus before gains/(losses) in the year of £25,457 (2020: Deficit £136,813). The total comprehensive income for 2020/21 is stated after accounting for actuarial gain in respect of the Local Government pension scheme of £134,000 in year (actuarial loss of £1,714,000 in year 2019/20). The college was also in receipt of in year funding of £162,000 for additional students enrolled in 2020/21 and was able to offer additional support to students particularly with English and Maths using the 16-18 tuition fund allocated.

The 2020/21 results have been affected by the changes to actuarial assumptions of the Greater Manchester Pension Fund and in response to the fluctuating market conditions affected by the coronavirus pandemic adding net £468,000 service costs to payroll (£383,000 in 2020) and a further £72,000 interest cost (£62,000 in 2020) plus an actuarial gain of £134,000 (loss £1,714,000 in 2020). Further detail relating to the actuarial assumptions of the GM Pensions Fund is described in note 16 to these accounts.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

During the further National lockdowns in schools and colleges from January 2021 the ESFA continued to pay the 16-18 funding in full to the college whilst provision moved back online to a remote delivery model. In Higher Education tuition and support was delivered remotely throughout the academic year. In terms of commercial income, the in-house catering provision made an in-year deficit as trading was dramatically reduced whilst students were initially on a blended mode of delivery attending site one day a week after which there was a period of site closure and then a partial reopening in the summer term. The college did not furlough any of its staff. The college did however incur additional staffing costs to provide onsite asymptomatic covid-19 testing of students at the start of the academic year but was partly funded for this by way of a formulaic calculation based on the number of tests performed amounting to £24,800. There were, however other savings made to the college non-pay budget as the normal on site activity of the college was dramatically reduced and this has contributed to an in- year trading surplus. A detailed college wide risk assessment was undertaken prior to staff and student returning to site and this was published on the college website.

The financial stability and security of the college continues to be a priority of the governors. The college will ensure that it has adequate reserves and cash balances to secure the current staffing establishment, ensure the health and safety of all who work and study at the college during the current pandemic, meet its planned maintenance programme and further its accommodation strategy.

### Reserves

The college has general reserves of £7,507,069 (2020: £7,234,740) and cash balances (including short term investments) of £3,898,173 (Restated 2020: £3,056,484). The college wishes to continue to accumulate reserves and cash balances in order to create a contingency fund to meet future capital requirements.

The Governing Body has reviewed the college Reserves Policy in light of the recommendations by the Charity Commission. The main element of the reserve is to mitigate the possibility of the College being approached by the Local government pension scheme for a cash injection which has been the case in other schemes in the country. The governors have also considered the potential impact of the Coronavirus lockdowns on the reserves policy and the likelihood of further disruption to on site delivery, as well as the major works contingency previously reserved and as such have changed the level of reserve to £582k, from the previous £780k reserve. This is to allow for any unforeseen cost of managing Coronavirus testing on site to delivery of education which may not be fundable or affordable by central government. In accordance with FRS102 the college has identified a £582k contingency fund, the level being appropriate to manage costs to the college over twelve months during periods of unforeseen circumstance.

### Sources of Income

The college has significant reliance on the Education and Skills Funding Agency for its principle funding source largely from recurrent grants. In 2020/21 the Education and Skills Funding Agency provided 92.60% of the college's total income whilst around 6.26% was earned in the Higher Education sector.

Funding from the provision of Higher Education degrees under a direct contract with the Office for Students and in partnership with Liverpool Hope University has proved very successful, both as a valued provision to local students and in terms of generating income.



## **Report of the Governing Body (continued)**

### **Future prospects**

#### **Developments**

The College was successful in its bid for Condition Improvement Funding (CIF) 2020/21 to undertake fire compliance works in two buildings. The project included the upgrade and replacement of 165 fire doors to a specification of 30 and 60 minute Firas ratings as well as further fire compartmentation works. The college has been successful in its bid for Condition Improvement Funding (CIF) 2021/22 for a phase 2 fire safety project to complete the replacement of fire doors across the site.

A strategic priority arising from the recent move to blended learning following the Coronavirus pandemic is to build on the new skills and ways of working that have been developed whilst delivery was online. Both staff and students have learned to work more flexibly and independently which has enhanced their technical and time management skills. Another advantage is that students have experienced a way of learning that has much in common with the approach of universities and workplaces thereby increasing their chances of a successful transition to their next steps in life.

The College is awaiting the detailed outcome of the consultation of the FE and Skills White paper in relation to the proposed curtailment of General Vocational qualifications. In the meantime the College has registered interest in a number of T-levels and is working on contingency plans to implement those most appropriate and beneficial to our students should the need arise.

Student recruitment in 2021/22 is very good with very high applications and enrolments on A Level, BTEC and Level 2 subjects. Recruitment numbers have far exceeded lagged funding for 2021/22 meaning that additional staffing has been employed to deliver the curriculum.

#### **Financial plan**

The college governors approved a three-year financial plan in July 2021 which sets objectives for the period to 2023. The college aims to maintain its health rating of 'Outstanding' and achieve a small surplus in the year to 31 July 2022. Governors are confident the college is a going concern having reviewed carefully the forecast, cash flow and considered opportunities and the risk environment.

The college continues to reduce spending on non-pay where possible without impacting on curriculum or safety. All contracts are reviewed for value for money and where grants become available for investment in capital the college has a plan in place to actively apply for funding support.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

#### Treasury policies and objectives

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

The college has a separate treasury management policy in place which is reviewed annually. Deposits are placed only with authorised banking institutions. Any borrowing requires the authorisation of the Governing Body and should comply with the requirements of the Financial Memorandum. Short term borrowing for temporary revenue purposes is authorised if required by the Accounting Officer. Should any other borrowing be necessary this would require authorisation of the Governing Body and shall comply with the requirements of the Financial Memorandum and Funding Agreement.

#### Cash flow and liquidity

Cash inflow from operating activities is £1,142,754 (2020: inflow £214,473). The college's liquidity remains good with no outstanding debts or need for a loan to finance any part of the recent capital works. There were no substantial impacts on cash flow arising from the Coronavirus pandemic.

#### Principal risks and uncertainties

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect the college's assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risk and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained, monitored and reviewed by the college management team at the college level and subsequently reviewed at least annually by the Audit committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the college and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. A system of assurance for Governors links sections of the risk register directly to the relevant Governors sub-committee meetings. Specific areas of risk are reviewed by Governors with feedback or actions recommended to close the loop in the overall college planning.

The main risk factors affecting the College are outlined below along with the action taken to minimise them. Not all factors are within the college's control. Other factors besides those listed below may also adversely affect the college.

#### 1) College recurrent funding

The college has considerable reliance for its financial viability on funding from the Education and Skills Funding Agency. In 2020/21 99.55% of the college's revenue was public funded with 93.29% for full-time 16-18 year old students and a further 6.26% for adult students undertaking higher education courses. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

This risk is mitigated in a number of ways:

- By continuing the campaign to 'raise the rate' for Further education beyond the rate of £4,188.
- By ensuring potential students are aware of all the college has to offer in terms of enhancing their future development so that recruitment increases.
- By ensuring the college is rigorous in delivery of high quality education appropriate to the needs of students and which is publicly funded.
- Considerable focus is placed on maintaining and managing key relationships with the Education and Skills Funding Agency.
- By efficient use of all college resources including staff utilisation, premises utilisation and effective budget setting and efficiency measures.

The college plays a significant role in providing higher education locally in it's University Centre with a range of honours degree, post graduate courses in education and foundation degree courses. The partnership arrangements need to be sufficiently robust to mitigate the financial risk to the college of running the infrastructure required to offer a HE provision at local level.

This risk is mitigated by:

- Increasing the range of courses on offer to meet local demand.
- Considering alternative types of programmes and level of study as part of the offer.
- Ensuring the financial agreements with partner organisations are financially viable.

### 2) Staffing, Pay and Pension Costs

Overall staffing levels have been protected right throughout the pandemic with no staff having been furloughed. The college follows national agreements collectively negotiated by the Sixth Form Colleges Association (SFCA) in relation to annual pay awards. This has supported the control of staffing costs whilst remaining competitive in the recruitment of highly qualified personnel.

However, the college continues to face pressure in collective bargaining regarding annual pay awards and other unfunded employer costs.

The risk is mitigated in a number of ways:

- By continuing to campaign for funded increased pension costs, beyond 2021/22.
- By ensuring robust budgeting of future pay costs taking account of all factors which will affect pay expenditure.
- By ensuring staffing levels are appropriate but not excessive for the level of activity needed to provide an excellent service to students.
- By reviewing the establishment so that when posts become vacant and no longer required a saving is made.
- By ensuring efficient and effective use of technology and streamlined processes to improve overall effectiveness.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

#### 3) Maintain adequate funding of Local Government Pension Scheme Liability

The financial statements report the share of the Greater Manchester Pension Fund (GMPF) scheme deficit, based on actuarial assumptions on the College's balance sheet in line with the requirements of FRS102. This has the effect of reducing the College net assets by £5,345,000 (£4,939,000 in 2020).

The risk is mitigated over a number of years through:

- Employers' pension contribution rates reviewed and set by the Scheme Actuary on a triennial basis to recover deficits over the long term.
- A robust policy of employers' pension discretions to avoid unfunded additional pension costs.
- Consideration of a potential one-off cash request by the LGPS within the college Reserves Policy. This has not been requested by GMPF but is not unusual in the sector.

#### Key Performance Indicators

The college is committed to observing the importance of sector measures and indicators and sets measurable goals which are monitored by governors and the college leadership team.

In addition careful monitoring of a series of key financial performance indicators reported monthly and agreed by governors and college management has enabled the achievement of the college financial objectives.

<b>Key Performance indicators</b>	Targets 2020/21	Actual 2020/21
16-19 Student number target (R04)	2000	2135
Current Ratio > 1.5	1.5	4.43
EBITDA as % of income-education specific	6%	11.59%
Borrowing % of reserves and debt	0	0
General Reserve/income %	100%	121.1%
Pay exp. (excl.pension adj and restructuring )/income %	72%	73.58%
Diversity of income from non ESFA sources %	12%	10.73%

The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ('ESFA'). The ratios above are calculated using definitions within the Finance record. The College is assessed by the ESFA as having an Outstanding financial health grading for the current year.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

#### Academic Performance

##### Sixth Form

Examinations were cancelled in January 2021 by the Department of Education, as part of the response to the coronavirus (COVID-19) pandemic. Students were instead awarded Teacher Assessed Grades (TAGs). The exam boards asked colleges to generate the TAGs in line with JCQ's published guidance and the college's own Centre Policy. The college submitted the TAGs to the exam boards on the 18th June, after a huge logistical undertaking on the part of teaching and support staff, as well as the college leadership team (CLT). As part of the external quality assurance process by the exam boards, AQA sampled subject evidence for A level and GCSE subjects and Pearson for BTECs.

Throughout the academic year, our students remained resilient to the challenges they faced and responded positively to the blended learning model introduced by the College. The move to remote learning in January 2021 did not detract from students' overall efforts and final academic performance. Where individual students did struggle with the changes, they were identified through the college's pastoral and curriculum monitoring systems and measures were put in place to support them. This included the loaning of IT equipment and onsite provision for vulnerable students.

The College's 'Six Sense Report 2021', indicates that performance based on TAGs is in the top quarter nationally.

The overall retention rate for level 3 courses is 95% (92.8% in 2020) and 99% (96.2% in 2020) for all level 2 courses.

##### **Overall A-level pass rate of 99% (99.5% in 2020)**

60% of A level entries achieved high grades A\*-B and 82 % of A Level entries were graded A\*-C.

Twenty five students achieved at least 4 A\*/A grades at A Level.

In total, one hundred and twenty seven students achieved 3 or more A\*/A grades at A level.

Twenty three subjects achieved a 100% pass rate at A Level.

##### **Overall Level 3 BTEC pass rate of 100% (100% Diploma pass rate in 2020)**

96.4% of Extended Diploma Applied Science entries achieved grade (D\*D\*D\*-MMM).

84% of Extended Diploma Applied Science entries achieved grades (D\*D\*D\*-DDD).

Thirteen Extended Diploma Applied Science entries achieved 3 x Distinction Star (D\*) grades.

97.9% of Extended Certificate and Diploma entries achieved a grade (D\*-M).

80.2% of Extended Certificate and Diploma entries achieved grades (D\*-D).

##### **Level 2**

GCSE English Language and Mathematics outcomes are high for those students who arrived at college with less than a grade 4. The overall pass rate for English Language is 94% and 77% for Mathematics.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

#### Destinations

89% of students who applied for University were placed at the first offer.

Six students secured places at Oxbridge. Eleven students secured places on highly competitive Dentistry, Medicine and Veterinary science courses.

#### University Centre

The University Centre has maintained its 100% pass rate on the Foundation Course this year. This is particularly good as it feeds onto the BA (honours) top-up programmes also delivered by Edge Hill University. These courses continue to be a great success, with 72% of our HE students achieving a 2:1 or above. This course has partly taken over from the successful BA TLMP mentioned above. Over three quarters of our PGCE Primary students passed at the first assessment board in summer, with over one third achieving a distinction or merit.

All students passed the programme, with 7 students with outstanding submissions. They will go through boards in due course (with different agreed assessment dates / outstanding requirements).

The University Centre is delighted with our Liverpool Hope Students; 32% achieved first class degrees this year and 44% upper second class degrees. This has shown a steady improvement since 2018/9 (23%, 31% for first class and 42%, 41% for upper second). All students passed, with only 4 students obtaining a third-class degree. This success is mirrored in our partnership with St Mary's (34% first class, 38% upper second, 28% lower second).

In setting and reviewing the college's strategic objectives and planning activities, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to over 2100 students including 12-15 with high needs. The college provides courses without charge to young people aged 16-19 years old. The college is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible. In providing educational courses the college considers the whole person through its high-quality teaching and strong student pastoral system. It takes widening participation and aims to tackle social exclusion through its links with schools. It also fosters links with employers and Universities and students have excellent employment records subsequent to leaving college and University.

## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

#### Equality

The sustainability of the college depends essentially on its staff. The staff at college are highly trained professionals across all subjects and support functions that take pride in their work and are individually valued for their contribution. The college places high priority on effective recruitment, retention and development policies and seeks to operate in a way which promotes safe, healthy and sustainable working practices.

The rapid transition to working from home has been a challenge for all our staff. They have responded admirably and the college first priority has been to support their wellbeing. This included supporting staff with care responsibilities and other issues as well as guidance on relaxation and mental health aspects of remote working.

The College prides itself in supporting its staff financially with staff development and welfare activities. The college works in consultation with representatives from the National Education Union (NEU) and Unison regarding staff pay and conditions. The college is a member of the Sixth Form Colleges Association (SFCA) and abides by the national pay agreements determined for teaching and support staff on an annual basis. The pay costs of the college are monitored and resources managed to provide effective and efficient service to students.

Holy Cross College is committed to ensuring equality of opportunity for all who learn and work here. Because of its distinctive religious character Holy Cross College gives preference in its admission policy to Catholic students but does as the mission statement says, welcome applications from students of all faiths. It also welcomes staff from all faiths though there are certain posts which, because of their nature, seniority or teaching subject are only open to Catholic applicants. Once students and staff are members of Holy Cross College all are treated fairly, according to their individual and unique needs. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage, and we will actively combat bigotry. The college's Single Equality Scheme includes Equality Objectives and is published on the college's website. The policy and objectives are monitored through the governors Quality and Standards committee on an annual basis.

The College is accredited as a Disability Confident Committed employer and commits to activities that will make a difference to disabled people (and continues to deliver these over the period of accreditation). They include:

- a recruitment process that is inclusive and accessible;
- communication of and promotion of vacancies;
- offer of an interview to disabled people;
- anticipate and provide reasonable adjustment as required

Where an existing employee becomes disabled every effort is made to ensure that employment with the college continues. The college's policy is to provide training, career development and opportunities for promotion, which are as far as possible, identical to those of non-disabled employees.

All staff have undertaken Equality and Diversity training, and refresher training and training for new starters is carried out on an ongoing basis.



## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

#### Disability statement

The college seeks to achieve the objectives set down in the Equality Act 2010:

- a. As part of its accommodation strategy the college updated its access audit in June 2019 and the results will be taken into consideration with any new initiatives arising from the Condition Improvement Survey plans.
- b. Employing a Learning Support manager and using expertise from the wider pastoral team who can provide information, advice and arrange support where necessary for students with disabilities.
- c. Providing a team of specialist teachers and support assistants who can provide a variety of support for learning.
- d. All students are made aware of the policy through the tutorial programme and access online to the college intranet.
- e. The admissions policy for all students is available on the college website. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- f. Working with students prior to admission to ensure all their needs are fully considered and catered for, including provision of specialised equipment, facilities and one to one care if required.
- g. Providing counselling and pastoral services for students as described in the college handbook.

#### Community, diversity and stakeholder relationships

For Holy Cross College, sustainability has wider implications that reach far beyond the 'green agenda'. It extends to community and personal empowerment both locally and globally.

During the pandemic students and staff volunteered at local hospitals and food banks. Staff checked in on each other to offer support to those in the community who were ill or suffering personal loss during the pandemic. Through our college chaplaincy we encourage students and staff to volunteer in the community with projects that touch the lives of people - many of whom are in significant need. Through their General R.E. lessons, students also supported prisoners of conscience across the world through the Amnesty International letter writing programme.

We continue to support charitable organisations working in other parts of the world through various fund-raising activities throughout the year.

We celebrate faith and cultural diversity, particularly during 'One World week' and Black History month. During the year equality and diversity has been celebrated through themed assemblies and a range of different speakers who addressed RE classes during the year. Online opportunities have also been delivered by speakers to ensure this aspect of college continued during remote working.

The Learner Voice is high on the college's agenda. The students who participate represent the college at a range of college events. There are student representatives on various committees including Health and Safety. Students also have a role in interview panels for certain posts.



## HOLY CROSS COLLEGE

### Report of the Governing Body (continued)

We have a series of student voice groups including 4C (College Community for Charities and Campaigns), the Student Representative committee in addition to student governors. All learners are encouraged to give individual feedback on their experience at college through surveys, subject and pastoral focus groups as well as through an on-line suggestion box.

#### Trade Union

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

Number of employees	FTE employee number
3	0.88
Percentage of Time	Number of employees
0%	2
1% - 50%	0.88
51% - 99%	0
100%	0

Total cost of facility time	£110
Total pay bill	£8.3M
Percentage of total bill spent on facility time	0.001%

Time spent on paid trade union activities as a percentage of total paid facility time	0.362%
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#### Creditors payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires in the absence of agreement to the contrary, making payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the accounting period 1 August 2020 to 31 July 2021, the College paid 91% of its invoices within 30 days. The college incurred no interest charges in respect of late payment for this period.

#### Going Concern

Going concern is a key priority for the College and more than ever during the Coronavirus pandemic the Governors have reviewed the future financial outlook in uncertain times. Whilst there is no absolute guarantee of shielding from all unknown risks, given the facts and reasonable assumptions made, the Governing Body 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.

The underlying assessment criteria to support this statement are:

- Rigorous monitoring of in year financial performance in relation to the impact of Coronavirus on costs and sustainability in relation to ongoing delivery.
- Robust bank balances and sound cash flow position.
- No bank borrowings or bank covenant.
- Funding Contracts in place with ESFA, Office for Students and University Partners until July 2022.

## HOLY CROSS COLLEGE

- F.E student recruitment in September 2020 and September 2021 has exceeded the forecast numbers.
- The increase in the base rate of funding for 2021/22 to £4,188 plus additional funding for Science and Mathematics and GCSE resit subjects in Maths and English greatly enhances the college ability to continue as a going concern.
- Budget and Forecast over 2 years demonstrating ability to maintain cash balances above £1.2M.
- ESFA Forecast financial health criteria for 2021/22 rated as Outstanding.
- Active Financial risk management
- Regular monitoring through monthly management accounts.
- Substantial assurance on internal audit reviews.
- No outstanding contingent liabilities.
- The college robust response to remote learning following the coronavirus outbreak demonstrates its ability to adapt to unforeseen circumstances without reduction in the quality of delivery.

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

There have been no significant post balance sheet events.

### **Disclosure of information to auditors**

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

**Approved by order of the members of the Governing Body on 15 December 2021 and signed on its behalf by:**

*Helen Stainton*

**H Stainton  
Chair of Governors**

## HOLY CROSS COLLEGE

### Statement of Corporate Governance and Internal Control

#### Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2021 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).
- 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 Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2021. The Governing Body recognises that, as a Body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 and amended in May 2019, which was formally adopted on 11 December 2019.

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

#### The Governing Body

The members who served on the Governing Body during the year and up to the date of the signature of this report are listed below:

Name	Date of apt/Re-apt.	Date of res/End of term	Term of Office	Status of Office	Committees served	Attendance GB meetings %
Mr M Bentley	01/11/17	31/10/21	4 years	Co-opted	Property & Finance (Chair)	0%
Mr D Frost	-	Retired 31/8/2020	-	Principal	Quality & Standards, Personnel, Property & Finance, Search	100%
Ms C Vitti	17/08/2020	-	-	Principal	Property & Finance, Search, CL&RE	100%
Ms C Francis	20/03/21	19/03/23	2 years	Parent Governor	Property & Finance	100%
Mr A Hanfi	02/10/19	01/10/23	4 years	Co-opted	Audit, CL&RE	80%

## HOLY CROSS COLLEGE

<b>Name</b>	<b>Date of apt/Re-apt.</b>	<b>Date of res/End of term</b>	<b>Term of Office</b>	<b>Status of Office</b>	<b>Committees served</b>	<b>Attendance GB meetings %</b>
Mr H Humby	03/03/21	02/03/22	1 year	Student(college)	-	100%
Mrs R Hyndman	10/10/20	9/10/22	2 years	Staff	Quality and Standards, SAR, CL&RE	100%
Mrs I Lewandowski	04/12/17	03/12/21	4 years	Foundation	Remuneration(C)	80%
Mrs H Leyden	03/03/19	02/03/23	4 years	Foundation	Vice Chair of Governors, All Committees except Property and Finance	100%
Mr N Limb	20/3/19	19/3/21	2 years	Parent	Property and Finance	83%
Mrs J McCool	01/11/19	31/10/21	2 years	Staff	Quality & Standards, CL&RE	100%
Mr J McGrath	07/12/20	06/12/24	4 years	Foundation	-	100%
Mrs S Smith	01/09/20	31/08/24	4 years	Foundation	Property & Finance, Quality & Standards(C)	100%
Mrs H Stainton	13/10/21	12/10/25	4 years	Foundation	Chair of Governors All Committees except Audit	80%
Ms R Stevens	17/19/19	16/09/23	4 years	Foundation	Quality & Standards	100%
Mr J Sweeney	20/03/18	19/03/22	4 years	Foundation	Remuneration, Quality & Standards, CL&RE	80%
Mrs W Dignan	17/06/20	16/06/24	4 years	Foundation	Audit	100%
Miss Chi Hoang	08/05/20	07/05/21	1 year	Student (college)		100%
Miss S J Nuttall	26/02/20	25/02/22	2 years	Student (HE)	CL&RE	80%
Mr A Loster	29/03/19	28/03/23	4 years	Foundation	Vice Chair of Governors, Property & Finance. CL&RE	100%
Ms N Yorke-Robinson	12/01/21	11/01/25	4 years	Foundation	Audit	75%
Mr P Campbell	13/10/21	12/10/25	4 years	Co-opted	Quality & Standards, CL&RE	50%

Mrs E Hoyle is the Clerk to the Governors

The low attendance levels for a number of governors largely reflect resignations during the year. Where this is not the case, the Chair of Governors has impressed the importance of attendance at meetings going forwards.

## HOLY CROSS COLLEGE

### **Governance Statement (continued)**

#### **The Governance Framework**

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

The Governing Body is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Governing Body meets each term. Regular online Governing Body and sub-committee meetings continued right throughout the Coronavirus pandemic lockdown from March 2020 through to the new academic year 2020/21 and this is likely to be the predominant way of working for the foreseeable future.

The Governing Body conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Governing Body. These committees are Audit, Property and Finance, Personnel, Remuneration, Quality & Standards, Search and more recently a Catholic Life committee from July 2020. Full minutes of all meetings, except those deemed to be confidential by the Governing Body, are available on the College's website at [www.holycross.ac.uk/information/governance](http://www.holycross.ac.uk/information/governance) or from the Clerk to Governors at the college's registered address.

The Clerk to Governors maintains a register of financial and personal interests of the governors and senior staff. The register is available for inspection at:

Holy Cross College  
Manchester Road  
Bury BL9 9BB

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

Governors continue to further their skills and development on governance by regularly attending training courses/webinars delivered by Salford Diocese, Education and Training Foundation, Sixth Form College Association, Association of Colleges, and various in-house training.

The Clerk to Governors/Governance Professional has a BSc degree in Accounting and a Bachelor of Laws degree and has over 30 years of experience working in an Education Establishment and Local Authority Education, focussing mainly on governance. The clerk regularly attends various training courses/conferences/webinars/networking delivered by the Education and Training Foundation, SFCA and AoC.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Governing Board meetings. Briefings are also provided on an ad hoc basis. Through management explanations Governors have been kept informed in relation to support for suppliers in applying PPN02/20, ensuring continuity of supply in the future and ongoing value for money.

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

There is a clear division of responsibility in that the roles of Chair of the Governing Body and Accounting Officer are separate.

## HOLY CROSS COLLEGE

### **Governance Statement (continued)**

#### **Appointments to the Governing Body**

Any new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a search committee, consisting three members of the Governing Body, which is responsible for the selection and nomination of any new member for the Governing Body's consideration (other than the Principal and foundation governors). The Bishop of Salford appoints all the foundation governors. The Governing Body is responsible for ensuring that appropriate training is provided as required.

The Governing Body approved aligning to Public Interest Governance Principle X1 for all new appointments of independent Governors to the Colleges Governing Body. Regarding existing independent Governors, Principle X1 will be applied at the end of their current four-year term, to avoid destabilisation and this principle will be incorporated in the Standing Order at the next review.

#### **Governing Body performance**

The Governing Body carried out a self-assessment of its own performance for the year ended 31<sup>st</sup> July 2021 on 20<sup>th</sup> October 2021 and graded itself as Good on the Ofsted scale.

#### **Remuneration Committee**

Throughout the year ending 31 July 2021, the college's Remuneration Committee comprised four governors including the Chair and Vice Chair of the Governing Body. The committee's responsibilities are to make recommendations to the Governing Body on the remuneration and benefits of the Accounting Officer and other key management personnel.

The remuneration committee had regard to the 'Higher Education Senior Staff Remuneration Code' as well as the AOC's 'Colleges Senior Staff Remuneration Code' in the absence of any other recommendations from the Sixth Form College Association and adopted the later from 2019/20.

The college complies with the disclosure requirements for senior staff remuneration as per the requirements of Office for Student registration.

Details of remuneration for the year ended 31 July 2021 are set out in note 6 to the financial statements.

#### **Audit Committee**

The Audit Committee comprises four members of the Governing Body (excluding the Accounting Officer and Chair). The committee operates in accordance with written terms of reference approved by the Governing Body.

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

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

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

## HOLY CROSS COLLEGE

### Governance Statement (continued)

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

The members of the Audit committee are shown below:

Committee member	Meetings attended
Mrs W Dignan	4
Mrs H Leyden	5
Mr A Hanfi	5
Ms N Yorke-Robinson	3

### Internal Control

#### Scope of responsibility

The Governing Body 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 Governing Body has delegated the day to day responsibility to the Principal as Accounting Officer for maintaining a sound system of internal control that supports the achievement of the college's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between Holy Cross College and the funding bodies. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal financial 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 in Holy Cross College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the college's significant risks that has been in place for the period ended 31 July 2021 and up to the date of approval of the annual report and accounts. The Governing Body regularly reviews this process.



## HOLY CROSS COLLEGE

### **Governance Statement (continued)**

#### **The risk and control framework**

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

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

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

#### **Risks faced by the Governing Body**

The Governing Body maintains and regularly reviews a risk register which identifies, evaluates and manages risks taking account of key operational, financial and compliance issues. Where gaps in assurance are identified an action is put into place to mitigate the risk. All risks are considered in terms of impact and likelihood and RAG rated. There were no significant risks that did not have mitigating actions to reduce impact identified during the year, or up to the date of approval of the annual report and accounts. There were no significant control weaknesses or failures identified during the year.

#### **Responsibilities under funding agreements**

The Governing Body has met its contractual obligations under its funding agreements with the ESFA and the Office for Students through its work in its sub-committees, reports from management, reliance on the work of the internal auditors and the financial reporting accountants report and year end financial statements opinion. In addition, the Governors take an active part in the life of the college attending events and being available to staff by holding open invitational meetings to discuss current issues. In this way the Governing Body have a rounded view of the formal processes and procedures in place to comply with the funding agreements and informal means of assessing the operation of the college on a day to day basis.



## HOLY CROSS COLLEGE

### Statement of Corporate Governance and Internal Control (continued)

#### Statement from the audit committee

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

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

- Governance and Risk management- Corporate Information systems and Reporting Framework- Academic Quality and Standards information
- Key Financial controls- Payroll
- Examinations Processes
- Follow up of recommendations arising from internal audits in 2019/20

The overall annual opinion from the internal audit service is that the College has an adequate and effective framework for risk management, governance and internal control.

All audits were conducted online and according to schedule, there was no disruption to the internal audit plan despite college closure due to the coronavirus national lockdown during the year.

External Audit key findings report internal control issues raised:

- Segregation of duties.  
As noted in prior years, the small number of personnel within the finance team gives rise to inherent risks around the segregation of duties. The impact of this is mitigated to some extent by the subsequent reviews of the management accounts that are performed. As a result of these compensating monitoring controls, significant issues if they existed should be identified.
- Fixed asset register reconciliation  
As noted in prior years there is a difference of £10k between the fixed asset register and the financial statements, which arose when the fixed asset register software was added to the main financial system. The amount is not considered material to the financial statements.

#### Review of effectiveness

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

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

**HOLY CROSS COLLEGE**

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the College Leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 15th December 2021 meeting the Governing Body carried out the annual assessment for the year ended 31 July 2020 by considering documentation from the College leadership team and internal audit and taking account of events since 31 July 2020.

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

Approved by order of the members of the Governing Body on 15th December 2021 and signed on its behalf by:

*Helen Stainton*

**H STAINTON**  
**Chair of Governors**

*Carina Vitti*

**C VITTI**  
**Accounting Officer**

**HOLY CROSS COLLEGE****Statement of Regularity, Propriety and Compliance**

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

We confirm, on behalf of the Governing Body, 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 Governing Body, or material non-compliance with the terms and conditions of funding under the Governing Body's grant funding agreements and contract with ESFA.

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

*Carina Vitti***C VITTI****Accounting Officer****15 December 2021***Helen Stainton***H STAINTON****Chair of Governors****15 December 2021**

## HOLY CROSS COLLEGE

### Statement of the Responsibilities of the Members of the Governing Body

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

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

In preparing the financial statements the Governing Body is required to:

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

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

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

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

Members of the Governing Body 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 EFSA 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 by the ESFA or any other public funder. Members of the Governing Body must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Governing Body are responsible for securing economical, efficient and effective management of the college's resources and expenditure, so that the benefits that should be derived from the application of public funds from the EFSA and other public bodies are not put at risk.

Approved by order of the members of the Governing Body on 15th December 2021 and signed on its behalf by:

*Helen Stainton* **H STAINTON**  
**Chair of Governors**

**HOLY CROSS COLLEGE****Independent auditor's report to the Governing Body of Holy Cross College****Opinion**

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

In our opinion, the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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

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

## HOLY CROSS COLLEGE

### Other information

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

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

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

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

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

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

- the corporation's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

### Responsibilities of the Governing Body for the financial statements

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

In preparing the financial statements, the Governing Body are responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Governing Body either

## HOLY CROSS COLLEGE

intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

## HOLY CROSS COLLEGE

engagements of a similar nature and complexity through appropriate training and participation; and

- In assessing the potential risk of material misstatement, we obtained an understanding of the company's operation, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and sector risks that may result in material misstatement, and the College's control environment, including the adequacy of procedures for the authorisation of transactions.

### **Use of our report**

This report is made solely to the Governing body, in accordance with the terms of our engagement letter dated 2 September 2021. Our audit work has been undertaken so that we might state to the Governing body those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the corporation and the Governing body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
Date 16/12/2021



**HOLY CROSS COLLEGE****Reporting accountant's assurance report on regularity**

Reporting accountant's assurance report on regularity

To the corporation of Holy Cross 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 7 September 2021 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that, in all material respects, the expenditure disbursed and income received by Holy Cross College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

**Respective responsibilities of Holy Cross College and the reporting accountant**

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

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

## HOLY CROSS COLLEGE

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

### Conclusion

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

### Use of our report

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

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Chartered Accountants  
Manchester  
Date 16/12/2021

## HOLY CROSS COLLEGE

### Statement of Comprehensive Income and Expenditure

For the Year ended 31 July 2021

	Note	2021	2020
		£	£
<b>Income</b>			
Funding Body grants	2	10,314,919	9,323,024
Tuition fees and education contracts	3	581,456	564,592
Other income	4	46,914	202,791
Investment income	5	960	12,467
		<hr/>	<hr/>
<b>Total income</b>		10,944,249	10,102,874
		<hr/>	<hr/>
<b>Expenditure</b>			
Staff costs	6	8,328,461	7,422,662
Other operating expenses	7	1,587,121	1,808,204
Depreciation	10	930,803	945,359
Interest and other Finance Costs	8	73,207	63,812
		<hr/>	<hr/>
<b>Total expenditure</b>		10,919,592	10,240,037
		<hr/>	<hr/>
<b>Surplus/(Deficit) before other gains</b>		24,657	(137,163)
		<hr/>	<hr/>
<b>Profit on disposal of assets</b>		800	350
		<hr/>	<hr/>
<b>Surplus/(deficit) before tax</b>		25,457	(136,813)
		<hr/>	<hr/>
<b>Taxation</b>	9	-	-
		<hr/>	<hr/>
<b>Total surplus/(deficit) for the year</b>		25,457	(136,813)
		<hr/>	<hr/>
<b>Actuarial gain/(loss) in respect of pensions</b>	16	134,000	(1,714,000)
		<hr/>	<hr/>
<b>Total comprehensive profit/(loss) for the year</b>		159,457	(1,850,813)
		<hr/> <hr/>	<hr/> <hr/>

## HOLY CROSS COLLEGE

### Statement of Changes in Reserves

	<b>Income and Expenditure</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 31 July 2019</b>	8,972,681	3,362,629	12,335,310
Deficit from the Statement of Comprehensive Income and Expenditure	(136,813)	-	(136,813)
Other Comprehensive Loss	(1,714,000)	-	(1,714,000)
Transfers between revaluation and income and expenditure reserves	112,872	(112,872)	-
<b>Balance as at 31 July 2020</b>	7,234,740	3,249,757	10,484,497
Surplus from the Statement of Comprehensive Income and Expenditure	25,457	-	25,457
Other Comprehensive Gain	134,000	-	134,000
Transfers between revaluation and income and expenditure reserves	112,872	(112,872)	-
<b>Balance as at 31 July 2021</b>	7,507,069	3,136,885	10,643,954

## HOLY CROSS COLLEGE

### Balance Sheet Year Ended 31 July 2021

	Note	2021 £	Restated 2020 £
<b>Non-current assets</b>			
Tangible Fixed assets	10	17,761,699	17,881,483
<b>Current assets</b>			
Stocks		2,524	4,130
Trade and other receivables	11	446,185	162,889
Investments	12	500,741	500,148
Cash and cash equivalents	19	3,397,432	2,556,336
		4,346,882	3,223,503
<b>Creditors:</b> amounts falling due within one year	13	(1,234,010)	(955,831)
		3,112,872	2,267,672
<b>Net current assets</b>		3,112,872	2,267,672
<b>Total assets less current liabilities</b>		20,874,571	20,149,155
<b>Creditors:</b> amounts falling due after one year	14	(4,798,267)	(4,632,813)
<b>Provisions:</b>			
Defined benefit obligations	16	(5,345,000)	(4,939,000)
Other provisions	15	(87,350)	(92,845)
		10,643,954	10,484,497
<b>Total Net assets</b>		10,643,954	10,484,497
<b>Unrestricted Reserves</b>			
Income and expenditure account		7,507,069	7,234,740
Revaluation reserve		3,136,885	3,249,757
		10,643,954	10,484,497
<b>Total Unrestricted Reserves</b>		10,643,954	10,484,497

The financial statements on pages 36 to 57 were approved and authorised for issue by the Governing Body on 15 December 2021 and signed on its behalf on that date by:

**H STAINTON**  
Chair of Governors

*Helen Stainton*

**C VITTI**  
Accounting Officer

*Carina Vitti*

## HOLY CROSS COLLEGE

### Statement of Cash Flows

	Notes	2021	Restated 2020
		£	£
<b>Cash flow from operating activities</b>			
Surplus/(deficit) for the year		25,457	(136,813)
<b>Adjustments for non-cash items</b>			
Depreciation	10	930,803	945,359
Deferred capital grants released to income		(259,104)	(264,858)
(Increase)/Decrease in stocks		1,614	(737)
(Increase)/Decrease in debtors		(283,296)	(18,180)
(Decrease)/Increase in creditors due within one year		193,328	(746,557)
Increase in provisions		(5,495)	2,264
Pensions costs less contributions payable		468,000	383,000
<b>Adjustment for investing or financing activities</b>			
Investment income		(960)	(12,467)
Interest payable		73,207	63,812
Gain on sale of fixed asset		(800)	(350)
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>		1,142,754	214,473
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Investment income		960	12,467
Deferred capital grants released		424,714	263,123
Payments made to acquire fixed assets		(728,132)	(715,046)
Profit of sale of fixed assets		800	350
		<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>		(301,658)	(439,106)
		<hr/>	<hr/>
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		841,096	(224,633)
		<hr/>	<hr/>
<b>Cash and cash equivalents at the beginning of the year</b>	19	2,556,336	2,780,969
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	19	3,397,432	2,556,336
		<hr/>	<hr/>

**HOLY CROSS COLLEGE****NOTES TO THE ACCOUNTS  
31 JULY 2021****1 Statement of accounting policies and estimation techniques**

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

**Basis of preparation**

These financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further & Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies. The implementation of the new SORP has had a material impact on the financial statements in terms of the reported deficit and overall reserves.

There has been a prior year adjustment for the reclassification of £1M from investments to cash. There is no impact to the financial statements or the surplus on the Statement of Comprehensive Income. Refer to note 12 for further details.

**Basis of accounting**

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

**Going concern**

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

The College does not currently have any outstanding loans. The College's forecasts and financial projections indicate that it will be able to operate within its existing banking facilities for the foreseeable future and its financial health is considered Outstanding from 2020/20 onwards following a major restructuring and reduction in staffing costs during 2018/19.

Despite the recent coronavirus pandemic the college continues to generate cash from its operations and has not been overly affected financially by the impact of the lockdown and subsequent switch to remote and blended modes of on-line teaching.

The Government announcement in October 2019 stated that there will be an increase of around 4.7% in the base rate of funding for each student plus additional funding for science and mathematics and GCSE resit subjects in maths and English of around £400 per subject. This additional funding greatly enhances the college ability to continue as a going concern. Overall it is estimated this could add around an extra 10% funding for the college from 2020/21 onwards.

## HOLY CROSS COLLEGE

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

### **Recognition of income**

#### **Revenue grant funding**

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

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

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

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

#### **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.

#### **Fee income**

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

#### **Investment income**

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

#### **Agency arrangements**

The college acts as an agent in the collection and payment of certain discretionary support funds and free school meals funding. Related payments received from the funding bodies, and subsequent disbursements to students are excluded from the income and expenditure of the College and are shown separately in Note 22, except



## HOLY CROSS COLLEGE

for the 5 per cent of the discretionary support grant received which is available to the College to cover administration costs relating to the grant.

### **Accounting for post-employment benefits**

The Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) provide post-employment benefits to employees of the college. These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension.

### **Teachers' Pension Scheme (TPS)**

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

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 scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

### **Greater Manchester Pension Fund (LGPS)**

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

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

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

### **Short term Employment benefits**

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

## HOLY CROSS COLLEGE

### Enhanced Pensions

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

### Tangible Fixed assets

Tangible Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that have been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

#### Land and Buildings

The land and buildings occupied by the college are owned by the Diocese of Salford. The college occupies the premises under a 99 year operating lease.

During 2004/05 a valuation of the land and buildings (as at 1 April 2001 on a depreciated replacement cost basis) was prepared by Bradshaw Gass and Hope.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2001, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

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

Buildings	2.5%
Major refurbishment	4%
Small Refurbishments/portable buildings	10%

The College has a policy of depreciating adaptations to buildings over the period of their useful economic life of between 10 and 25 years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

Land acquired in June 2011 for which title is held by the Governing Body of the college is accounted for at purchase cost, together with the construction costs of the Kentigern building erected on the site.

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

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

## HOLY CROSS COLLEGE

### Assets under construction

Assets under construction are accounted for, based on the value of the architect's certificates and other direct costs incurred to 31 July. Once brought into use, buildings are depreciated on a straight-line basis over their remaining useful economic life to the college at a rate of 2.5% per annum.

### Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment that is capital in nature is capitalised at cost. Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

Computer equipment	25%
Computer software	50%
Motor vehicles	25%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

### 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 relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

### Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

### Financial liabilities and equity

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

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

## HOLY CROSS COLLEGE

balance sheet at historical cost. Investments that are payable or receivable within one year are not discounted.

### **Taxation**

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

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

### **Provisions and contingent liabilities**

Provisions are recognised when

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

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

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

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

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

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

## HOLY CROSS COLLEGE

### Judgements in applying accounting policies and key sources of estimation uncertainty ( continued)

- Leases

That leases entered into by the College as lessee are operating leases. In doing so an assessment has been undertaken of whether the risks and rewards of ownership have been transferred from lessor to the College as lessee on a lease by lease basis

- Tangible fixed assets

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

- Greater Manchester Pension Fund

The present value of the Local Government Pension scheme defined benefit/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest actuarial valuation performed at 31 March 2021 has been used by the actuary in valuing the pension's liability at 31 July 2021. Any differences between the figures derive from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## 2. Funding Body Grants

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Recurrent Grants</b>		
Education and Skills Funding Agency	9,461,225	8,534,292
Local Authority - High Needs Students	76,931	83,365
Office for Students	88,825	96,377
<b>Specific Grants</b>		
Releases of Government Capital Grants	243,965	249,556
HE Grant	15,139	15,302
Teacher Pension Scheme contribution	377,552	344,132
<b>Non-Recurrent Grant</b>		
<b>Coronavirus additional Funding</b>		
High value courses for schools and college leavers	4,500	-
16-19 Tuition Fund	21,982	-
ESFA- Asymptomatic Mass Testing	<u>24,800</u>	<u>-</u>
	<u>10,314,919</u>	<u>9,323,024</u>

The College has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak, specifically for on-site asymptomatic mass testing of students at the start of the academic year as well as 16-19 Tuition funding to facilitate small group work for English and Maths and other subjects where eligible student's learning had been disrupted. A further £4,500 was awarded as a one year funding stream to encourage and support delivery of selected level 2 and level 3 qualifications in specific subjects in response to coronavirus.

## HOLY CROSS COLLEGE

### 3. Tuition Fees and Educational Grants

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Office for Students contract	448,778	457,401
HE Franchise contracts	132,678	107,191
	581,456	564,592
	581,456	564,592

### 4. Other Operating Income

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Catering income	39,667	194,637
Other income generating activities	7,247	8,154
	46,914	202,791
	46,914	202,791

### 5. Investment Income

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Interest receivable	960	12,467
	960	12,467
	960	12,467

### 6. Staff Costs

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

	<b>2021</b> <b>No</b>	<b>2020</b> <b>No</b>
Teaching staff	134	130
Non-teaching staff	30	29
	164	159
	164	159

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Wages and salaries	5,921,624	5,345,355
Social security costs	587,176	539,492
Other pension costs payable	1,681,194	1,477,931
	8,189,994	7,362,778
<b>Staff costs sub total</b>	<b>8,189,994</b>	<b>7,362,778</b>
Contracted out staffing services	138,467	59,884
	8,328,461	7,422,662
	8,328,461	7,422,662

## HOLY CROSS COLLEGE

### Salary Sacrifice schemes

The College operates a salary sacrifice scheme in relation to childcare arrangements for children of employees of the College. The College also offers a cycle to work scheme by way of salary sacrifice.

### Key management personnel

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

### Emoluments of Key management personnel and Accounting Officer

The number of key management personnel including the Accounting Officer was:

	<b>2021</b>	<b>2020</b>
The number of key management personnel including The Accounting Officer was:	10	8
	<u>10</u>	<u>8</u>

No other staff were paid emoluments in excess of £65,000 (2020: None).

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£ 5,001 - £ 10,000	3	-
£ 50,001 - £ 55,000	1	4
£ 55,001 - £ 60,000	3	-
£ 60,001 - £ 65,000	-	1
£ 65,001 - £ 70,000	-	1
£ 70,001 - £ 75,000	2	-
£ 75,001 - £ 80,000	-	1
£100,001 - £105,000	1	1
	<u>10</u>	<u>8</u>
	<u>10</u>	<u>8</u>

Key management personnel compensation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salary	486,711	525,332
Employer's National Insurance	58,358	62,900
Pension contributions	112,331	120,318
	<u>657,400</u>	<u>708,550</u>
Total key management personnel compensation	<u>657,400</u>	<u>708,550</u>

## HOLY CROSS COLLEGE

The above compensation above includes amounts payable to the Principal who is the accounting officer and who is also the highest paid member of staff. Following the retirement of the college Principal in August 2020 the new Principal took up office at the start of the academic year therefore there has been 2 Principals who are the accounting officer. Their pay and remuneration is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salary	8,852	104,317
Employer's National Insurance	1,121	13,198
Pension contributions	2,096	24,702
	12,069	142,217
	12,069	142,217
Salary	101,990	-
Employer's National Insurance	12,860	-
Pension contributions	24,151	-
	139,001	-
	139,001	-

The governing body had regard to the 'Higher Education Senior Staff Remuneration Code' as well as the 'Colleges Senior Staff Remuneration Code' and adopted the later in November 2019 and will continue to assess pay in line with its principles.

The remuneration package of key management staff, including the Principal, is subject to annual review by the Remuneration Committee of the Governing Body who use benchmarking information to provide objective guidance.

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

Relationship of Principal pay and remuneration expressed as a multiple:

	<b>2021</b>	<b>2020</b>
Principal's basic salary as a multiple of the median of all staff	3.07	3.10
Principal's total remuneration as a multiple of the median of all staff	3.03	3.07

### **Compensation for loss of office paid to former key management personnel**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Compensation paid to former key personnel	-	-

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



## HOLY CROSS COLLEGE

### 7. Other Operating Expenses

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Teaching costs	371,350	444,910
Non-teaching costs	542,350	674,822
Premises costs	673,421	688,472
	<u>1,587,121</u>	<u>1,808,204</u>

#### Other operating expenses include:

Auditor's remuneration:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Financial statements audit	27,500	18,500
Other services provided by the Financial Statements Auditors: All other non-audit services- Teachers Pension Return	1,500	1,500
Hire of assets under operating leases	30,717	33,551
	<u>59,717</u>	<u>53,551</u>

### 8. Interest and Other Finance Costs

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest on enhanced pensions FRS102	1,207	1,812
Net Interest on defined pension scheme liability	72,000	62,000
	<u>73,207</u>	<u>63,812</u>

### 9. Taxation

The college is not liable for any corporation tax arising out of its activities during the year.

## HOLY CROSS COLLEGE

### 10. Tangible Fixed Assets

	<b>Asset in Course of Construction</b>	<b>Land and Buildings</b>	<b>Software</b>	<b>Equipment Fixtures &amp; fittings</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost</b>					
1 August 2020	6,450	26,188,548	79,550	3,924,375	30,198,923
Additions	83,398	541,517	-	186,104	811,019
Disposals	-	-	-	(74,729)	(74,729)
Transfers	(6,450)	6,450	-	-	-
	<u>83,398</u>	<u>26,736,515</u>	<u>79,550</u>	<u>4,035,750</u>	<u>30,935,213</u>
<b>At 31 July 2021</b>					
<b>Depreciation</b>					
1 August 2020	-	8,794,641	79,288	3,443,511	12,317,440
Charge for period	-	727,149	243	203,411	930,803
On disposals	-	-	-	(74,729)	(74,729)
	<u>-</u>	<u>9,521,790</u>	<u>79,531</u>	<u>3,572,193</u>	<u>13,173,514</u>
<b>At 31 July 2021</b>					
<b>Net Book Value</b>					
<b>At 31 July 2021</b>	<u>83,398</u>	<u>17,214,725</u>	<u>19</u>	<u>463,557</u>	<u>17,761,699</u>
<b>At 31 July 2020</b>	<u>6,450</u>	<u>17,393,907</u>	<u>262</u>	<u>480,864</u>	<u>17,881,483</u>

During 2004/05, land and buildings were valued as at 1 April 2001 on a depreciated replacement cost basis by Bradshaw, Gass and Hope, Construction Design and Chartered Surveyors. The land and buildings formerly owned by the Daughters of the Cross of Liege were transferred to the Diocese of Salford in July 2015. The college now includes the full valuation of assets over which all benefits and risks from using the buildings have been transferred to the institution. The college has a 99 years lease on the main college site with the Daughters of the Cross of Liege which commenced on 14 October 2008 and this lease continues with the new Trustees being the Diocese of Salford. Land owned separately by the Governing Body of the college is included within Land and Buildings.

**HOLY CROSS COLLEGE****11. Trade and other receivables**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade receivables	130,803	14,595
Prepayments and accrued income	315,382	148,294
	<u>446,185</u>	<u>162,889</u>

**12. Current investments**

	<b>2021</b>	<b>Restated</b>
	<b>£</b>	<b>2020</b>
		<b>£</b>
Short Term Deposits	500,741	500,148
	<u>500,741</u>	<u>500,148</u>

Deposits are held with banks operating on the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement. Based on a retrospective review, a proportion of the previously classified short term deposits have been restated into cash and cash equivalents on the basis that funds were available on demand.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade payables	217,084	207,690
Other taxation and social security	138,354	134,036
Other creditors	123,789	113,112
Accruals and deferred income	502,754	249,120
Deferred income – government capital grants	252,029	251,873
	<u>1,234,010</u>	<u>955,831</u>

**14. Creditors: amounts falling due after one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred income – government capital grants	4,798,267	4,632,813
	<u>4,798,267</u>	<u>4,632,813</u>

## HOLY CROSS COLLEGE

### 15. Provisions for Liabilities and Charges

	<b>Defined benefit obligations</b>	<b>Enhanced Pension Provision</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 August 2020	4,939,000	92,845	5,031,845
Movement in the period	540,000	(6,630)	533,370
Transferred from income and expenditure account	(134,000)	1,135	(132,865)
	<hr/>	<hr/>	<hr/>
At 31 July 2021	5,345,000	87,350	5,432,350
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The enhanced pension provision is in respect of termination payments made to 2 members of staff since 1995. The provision has been recalculated in accordance with the guidance issued by the funding bodies.

The principal assumptions for this calculation are:

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

### 16. Pensions

The college's employees belong to two principal national pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council and called the Greater Manchester Pension Scheme. Both of which are multi-employer defined benefit schemes.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Total pension cost for the year</b>		
Teachers' Pension Scheme: contributions paid	900,145	827,948
Local Government Pension Scheme:		
Contributions paid	313,121	270,528
FRS102 (28) Charge	468,000	383,000
Enhanced pension charge to Statement of Comprehensive Income	(72)	6,998
Total pension cost paid for year within staff costs	<hr/> 1,681,194 <hr/>	<hr/> 1,488,474 <hr/>

## HOLY CROSS COLLEGE

Contributions amounting to £104,523 (2020: £101,013) were payable to the TPS at 31 July 2021 and are included in creditors.

### **Teachers' Pension Scheme**

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

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

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

Accordingly, the College has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department of Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

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

The pension costs paid to TPS in the year amounted to £900,145 (2020: £827,948).

## HOLY CROSS COLLEGE

### Local Government Pension Scheme

The Local Government Pension plan (the Greater Manchester Pension Fund) is a funded defined benefit plan with the assets held in separate funds administered by Tameside Metropolitan Borough Council. The total pension contribution made for the year ended 31 July 2021 was £409,715 (2020: £399,614) of which employer's contributions totalled £313,121 (2020: £307,695) and employee's contributions totalled £96,594 (2020: £91,595). The agreed contribution rates for future years are 19.7% for employers and range from 5.5% to 9.9% for employees, depending on salary.

### Principal Actuarial Assumptions

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

	<b>At 31 July 2021</b>	<b>At 31 July 2020</b>
Rate of increase in salaries	3.55%	2.90%
Future pensions increase	2.80%	2.10%
Discount rate for scheme liabilities	1.60%	1.40%
Inflation assumption (CPI)	2.80%	2.10%

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

	<b>At 31 July 2021</b>	<b>At 31 July 2020</b>
	years	years
<i>Retiring today</i>		
Males	20.5	20.5
Females	23.3	23.1
<i>Retiring in 20 years</i>		
Males	21.9	22.0
Females	25.3	25.0

### Sensitivity analysis

	<b>Approximate % increase to Defined Benefit Obligations</b>	<b>Approximate monetary amount (£'000)</b>
0.5% decrease in Real Discount rate	11%	1,643
0.5% increase in the Salary Increase Rate	1%	167
0.5% increase in the Pension Increase Rate	10%	1,442

## HOLY CROSS COLLEGE

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

	<b>Long term rate of return expected at 31 July 2021</b>	<b>Fair value at 31 July 2021</b>	<b>Long term rate of return expected at 31 July 2020</b>	<b>Fair value at 31 July 2020</b>
	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equity instruments	70%	8,140	67%	6,378
Debt instruments	15%	1,745	17%	1,618
Property	7%	814	7%	666
Cash	8%	930	9%	857
		11,629		9,519
Weighted average expected long term rate of return	1.6%	1.6%	1.4%	1.4%
Actual return on plan assets		1,778		(996)

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	11,629	9,519
Present value of plan liabilities	(16,974)	(14,458)
<b>Net pensions liability</b>	(5,345)	(4,939)

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts included in staff costs:</b>		
Current service cost	782	683
Past service cost	-	5
Total	782	688

**HOLY CROSS COLLEGE****Amounts included in investment income**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Net interest cost	(72)	(62)

**Amount recognised in Other Comprehensive Income**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Return on pension plan assets	1,778	(996)
Experience losses arising on defined benefit obligations		
Changes in assumptions underlying the present value of plan liabilities	(1,644)	(718)
Amount recognised in Other Comprehensive Income	134	(1,714)

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

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Net defined benefit liability in scheme at 1 August	(4,939)	(2,780)
Movement in year:		
Current service cost	(782)	(683)
Employer contributions	314	305
Past service cost	-	(5)
Net interest on the defined liability	(72)	(62)
Actuarial gain/( loss)	134	(1,714)
<b>Net defined liability at 31 July</b>	<b>(5,345)</b>	<b>(4,939)</b>

**Asset and Liability Reconciliation**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Changes in the present value of defined benefit obligations:</b>		
<b>Defined benefit obligations at start of period</b>	14,458	12,891
Current service cost	782	683
Interest cost	207	277
Contributions by Scheme participants	97	92
Experience gains and losses on defined benefit obligations		
Changes in financial assumptions	1,644	718
Estimated benefits paid	(214)	(208)
Past service cost	-	5
<b>Defined benefit obligations at end of period</b>	<b>16,974</b>	<b>14,458</b>



## HOLY CROSS COLLEGE

<b>Changes in fair value of plan assets:</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair value of plan assets at start of period</b>	9,519	10,111
Interest on plan assets	135	215
Return on plan assets	1,778	(996)
Employer contributions	314	305
Contributions by Scheme participants	97	92
Estimated benefits paid	(214)	(208)
<b>Fair value of plan assets at end of period</b>	11,629	9,519

In October 2018, the High Court ruled that Guaranteed Minimum Pension (GMP) benefits must be equalised and that defined pension schemes must compensate members for differences attributable to GMP's. The impact of full GMP indexation has been included in the calculation of the 31 March 2019 triennial funding valuation results. These valuation positions are used as the starting point for the accounting rollforwards to 31 July 2021 and therefore increases to obligations as a result of GMP indexation are automatically included within the employer's closing balance sheets positions at 31 July 2021.

### 17. Financial Commitments

Capital expenditure commitments at 31 July 2021 were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Contracted for, but not provided in the accounts	379,059	-
Authorised, but not contracted for	-	416,329
	-	416,329

### 18. Lease Obligations

At 31 July 2021 the College has commitments under operating leases as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Equipment</b>		
In one year or less	21,238	29,473
Between two and five years	4,381	55,610
	25,619	85,083
<b>Total</b>	25,619	85,083

**HOLY CROSS COLLEGE****19. Cash and Cash Equivalents**

	<b>Restated As 31 July 2020 £</b>	<b>Cash flows £</b>	<b>At 31 July 2021 £</b>
Cash at bank and in hand	2,556,336	841,096	3,397,432
	<u>                    </u>	<u>                    </u>	<u>                    </u>

Opening balances have been restated as funds were available on demand, see note 12.

**20. 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 conducted at arm's length and in accordance with the college's financial regulations and normal procurement procedures. There were no related party transactions during the year.

There were no expenses paid to or on behalf of Governors during the year was (2020: £94). No Governor has received any remuneration or waived payments from the College during the year.

**21. Events after the Reporting Period**

There are no events after the reporting period which would materially impact or affect the going concern basis on which these accounts have been prepared.

**22. Amounts disbursed as agent- Learner support funds**

	<b>2021 £</b>	<b>2020 £</b>
Education and Skills Funding Agency grant - 16-18 Bursary	188,583	150,867
Education and Skills Funding Agency grant - Vulnerable Students Fund	19,200	13,200
	<u>207,783</u>	<u>164,067</u>
Disbursed to students	(132,456)	(164,067)
Administration costs	(11,658)	-
Balance unspent as at 31 July 2021, included in creditors	<u>63,669</u>	<u>-</u>

Funding Body grants are available solely for students. In the majority of instances, the college acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure.