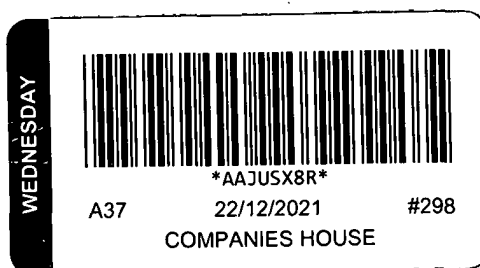


South Quay College

Registered number: 08111431

Governors' Report and Financial Statements

For the year ended 31 August 2021



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South Quay College

Reference and Administrative details

The Governors (who are also directors of the charity for the purposes of the Companies Act and trustees for the purposes of Charity Law) present their annual report together with the audited financial statements of South Quay College (the academy) for the period ended 31 August 2021. The Governors confirm that the Annual Report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP), Charities SORP (FRS 102).

Members

Simon Appleby
Matt Baird
Stuart Beck
Jacqui Driver
Rupert Edwards
Tim Watts

Governors (Trustees)

Simon Appleby (chair) (*)
Stuart Beck
Iain Cameron
Nicola Christie
Matt Davison
Emmanuel Ofose-Appiah
Verity Wythe (*)

* Members of the Finance Committee

Company registered number

08111431

Registered office

32 Mastmaker Court, Mastmaker Road, London E14 9UB

Senior Management Team

Principal and Accounting Officer – M Nirsimloo

Independent Auditor

Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Bankers

National Westminster Bank, P O Box 282, 216 Bishopsgate, London EC2M 4QB

Solicitors

Flint Bishop LLP, St Michael's Court, St Michael's Lane, Derby DE1 3HQ
Bates Wells & Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE

South Quay College

Governors' Report

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The Academy Trust operates a Free School, Alternate Provision academy for pupils aged 14 to 16 serving a catchment area in London, principally East London. In the year 2020/21 the academy had a total of 72 learners (9 year 9, 32 year 10 and 31 year 11).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated as a company limited by guarantee on 19 June 2012, is registered in England and Wales and is an exempt charity. The Academy Trust is constituted under a Memorandum of Association and commenced trading on 1 September 2012.

Members' liability

The Members of the Academy Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Governors' indemnities

The Governors have liability insurance in place during the year with a limit of indemnity of £10,000,000.

Method of recruitment and appointment or election of Governors

The Governors are directors of the company for the purposes of the Companies Act 2006.

The members may appoint up to six Governors and the Governors may appoint up to three Co-opted Governors. The maximum term of office for any Governor will be four years, except that this time limit does not apply to the Principal, who is treated as being an ex officio Governor. Governors are appointed based on the skills that they will bring to the governing body or by election.

The Governors in office during the period ended 31 August 2021 are listed on page 1.

Policies and Procedures Adopted for the Induction and training of Governors

The number of Governors allows for a tailored induction to be carried out specifically to the individual. Each new board member is provided with extensive information relating to South Quay College; the roles and responsibilities of Governors and Directors. Each Governor is then offered an induction pack. Other training is carried out tailored to their knowledge and experience. There are also various opportunities throughout the year for Governors to participate in school visits, events/meetings. For example, Governors have accessed on-line training on Prevent and Safeguarding and a lead Governor for Safeguarding has attended a Safeguarding-training course. Governors are also trained in Appeals and exclusions.

Organisational structure

During the period under review, the Governors held four formal meetings. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. The committees of the Governing Body comprise the Finance Committee, which reports to the Board on Finance, Audit, Personnel and Premises matters; the Standards Committee, which has responsibility for monitoring academic standards; and the Safeguarding Committee. There is not a separate Audit committee as those responsibilities are fulfilled by the Finance Committee reporting to the full Board.

For the period 1 September 2020 to 31 August 2021, the Senior Leadership Team comprised the Principal and three Assistant Principals. For this period, the Principal was also the Accounting Officer. The Senior Leadership Team is responsible for the day-to-day running of South Quay College and the authorisation of spending within agreed budgets.

The setting of pay and remuneration of the key management is by reference to the Teacher's Pay Scales and similar sized Academies.

South Quay College

Governors' Report (continued)

OBJECTIVES AND ACTIVITIES

Charitable Objects

The principal object and aim of the charitable company is the operation of South Quay College to provide Alternative Provision education to those aged 14 to 16 years of age.

Mission and intended impact

South Quay College's mission is to prepare and progress disadvantaged and disengaged young people, aged 14-19, in East London and surrounding boroughs, into sustained education or employment. This is achieved through provision of recruitment, information advice and guidance (IAG), mentoring, education, training and employment services targeted at NEET (Not in Education, Employment or Training) young people and those at risk of becoming NEET.

South Quay College works primarily with some of the most disengaged young people in Tower Hamlets and surrounding East London Boroughs; consistently delivering positive and sustainable outcomes for these individuals.

We support those who are most in need – isolated individuals who lack the skills and support to access opportunities to break out of poverty and improve their quality of life. Our service-users often have multiple safeguarding needs including: being in care/care-leavers, young people at risk of sexual exploitation, ex-offenders, those involved in local gang culture, those with substance misuse issues, physical or mental health problems and learning difficulties, and people who have experienced domestic abuse. Many of our beneficiaries have been excluded from mainstream schools or services and lack confidence and skills to progress towards a better future.

Objectives, Strategies and Activities

The Academy's aim is to provide high quality services to those in need of alternative provision education, providing wrap around support and services and safeguarding. Given the Academy Trust is seven years old, the priority is to grow the provision, improve the quality and link with industry and commerce to offer curriculums that will increase chances of our learners' employment prospects and ensure there are clear progression routes for every service user.

The main objectives of the Academy Trust during the period ended 31st August 2021 are summarised below, to:

- ensure that every learner enjoys the same high quality education in terms of resourcing, tuition and care;
- raise the standard of attendance and educational achievement of all pupils;
- improve the effectiveness of the Single Academy Trust by keeping the curriculum and organisational structure under continual review;
- provide value for money for the funds expended;
- comply with all appropriate statutory and curriculum requirements.

Equal Opportunities Policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust has established equal opportunities in all aspects of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Public benefit

South Quay College was set up to ensure that its activities contribute significantly to the lives of those we work with and specifically within the local areas in which those activities are undertaken. All our activities are directed towards having a lifelong impact on the local area and these activities are undertaken to further our charitable purposes for the public benefit. The examples below are a testament of our commitment to the public benefit requirement.

South Quay College

Governors' Report (continued)

Our service users are very clearly beneficiaries of our work through the delivery of our educational programmes and their attainment of skills and development as well as achievement of certifications and awards. South Quay College endeavours to ensure that there are clear progression routes to employment or further training so that service users are less dependent (or not dependent) on state services and are working towards steady employment and better prospects for employment.

The main areas of public benefit can be summarised as:

- advancement of education
- prevention or relief of poverty
- advancement of citizenship or community development
- advancement of social cohesion

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidelines on public benefit.

South Quay College

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

South Quay College was last inspected by Ofsted in May 2014. South Quay College was awarded a Grade 1 (Outstanding) across all areas of the inspection framework. South Quay College is committed to maintaining its 'Outstanding' provision through continuous quality improvement.

KS4

Gender

Currently (Term 1.1 Data – November 2021) 56.8% of learners are male, this is a significant decrease from the previous academic year, the typical figure for the past 3 years has been 67% males. Males made more progress in both English and Maths, with a more significant gap in Maths. This is a change from the previous year where females made more progress. With a more balanced gender cohort there is less skew in the percentages.

Females perform better in Hospitality, Construction and Art. Males perform better in Sport by a small margin. There was no noticeable difference between male and females in terms of pastoral progress.

Ethnicity

The largest proportion of KS4 learners continue to be White British (45%) followed by White and Caribbean learners (12.5%). In terms of academic and pastoral progress there was no noticeable difference between the two main groups.

SEN

23.3% of learners have an EHCP plan whilst 76.7% were coded as K, this is almost the same as the previous year. The main SEN needs throughout were SEMH. EHCP learners in Maths make the same progress overall as non-EHCP learners, however in English non-EHCP learners make significantly more progress compared to EHCP learners.

Very little can be said for vocation as most EHCP learners have part timetables. Pastorally there was very little difference.

Pupil Premium

72.7% of learners were classified as pupil premium, which is a significantly higher amount than the previous academic year of 61.1%. Pupil premium learners do better than non-pupil premium learners in English, this is not the case for Maths where progress was similar between the two groups.

In vocational subjects pupil premium learners more progress in Art and Hospitality (marginally), whereas non-pupil premium learners in Construction and Sport performed better. Pastorally there was very little difference.

Safeguarding

The college continues to use MyConcern to record and maintain safeguarding concerns. An external review of safeguarding carried out last academic year highlighted that safeguarding throughout the college was highly effective.

STRENGTHS

- The SLT are aware of the strengths and areas for development of the college, as detailed in the SAR and targeted for improvement within the development plan across KS4.
- Development of teaching and learning, along with its monitoring.
- Behaviour for learning is better.
- Due to Covid-19, achievement information is not directly comparable to earlier years except the previous.
- In year 11, all our predicted grades for GCSEs were accepted.
- All predicted vocational passes have been achieved.

South Quay College

Strategic Report - continued

COVID-19

- The Academy Trust's financial sustainability and consideration as a going concern are contingent on EFSA funding and referrals from regional LA. SQC has been in constant communication with each FAP and SIP and are also entering a partnership with Oasis to help to address any current or future uncertainties caused by the pandemic.
- The contribution of volunteers and their assistant in the Academy Trust in its work in managing in the changed circumstances has not been a factor. The impact on the Academy Trust's ability to fundraise and how the trustees managed this situation has not been a factor.
- Throughout the academic year as an alternative provision, SQC has run a normal curriculum and timetable with the previous procurement of a remote learning platform 'ed-lounge' we have been able to offer an educational provision for those students reluctant or unable to come on to the campus for Covid reasons. SQC used both the lap-top scheme for vulnerable learners, via the local authority for some learners, and school voucher schemes ran by the DfE for holidays.
- To help to mitigate any potential negative impact of the virus-related control measures on any wider network of which the Academy Trust is a part and how this affects the Academy Trust's operations. It is difficult to accurately assess the likely impact of the virus control measures and potential duration of the control measures on the future aims and activities of the Academy Trust and therefore SQC has been liaising closely with our referral partners and is entering an agreement to partner with Oasis.

MAIN AREAS FOR DEVELOPMENT

- To continue to improve attendance and punctuality across the college to ensure we are closing the gap to national average.
- To continue to develop the vocational, Thrive and SMSC curriculum across KS4 to ensure that it meets the needs of our learners.
- To further develop a more rigorous pastoral provision and the use of the SEMH tracker and 'Thrive Plan' to ensure better planning, provision and tracking.
- To further embed British Values into the intent, implementation and impact curriculum.

Key financial performance indicators

Budget targets were met during the year. Expenditure for the year was successfully managed to ensure the net result was in line with the reserves policy.

Plans for the future

Plans for the year ahead also include:

- The school are looking into developing into the Vocational offer at KS4 and reconfiguring the building.
- Partnership with Oasis Trust in with potential merger into MAT.
- Development of the SMSC and Thrive provisions
- Continued improvement of teaching and learning assessed through lesson observations and rigorous self-assessment process
- Continued strengthening of Governance structures including the development and recruitment for the Local Governing Body for Tower Hamlets

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

South Quay College

Strategic Report - continued

FINANCIAL REVIEW

Review of the year

The Academy Trust made a deficit of £1,040,887 (2020: surplus of £1,237,653); although excluding movements on the restricted fixed asset fund and the actuarial loss on the pension scheme, a deficit of £676,004 (2020: surplus of £917,806).

The Academy Trust relied on two main sources of income:

1. General Annual Grant (GAG) and other funding from the ESFA
2. Key Stage 4 and 5 commissioner payments – these payments are received from schools or local authorities when pupils are referred from these organisations to the Academy Trust

The Governors are aware that although a surplus was posted this year, it is likely that income will be less for the coming year and it is also likely that the Trust will post a deficit in the next year. In addition, the Trust is facing funding challenges which is discussed below.

In support of the Academy Trust's aims and objectives, expenditure was focused in the following areas:

- SQC's unique wrap around support providing learners with additional support to overcome the multiple barriers to success which they face.
- Dedicated safeguarding team within South Quay College to meet learners' complex needs.

Reserves policy

The Governors review the reserve levels of the Academy Trust annually. The policy of the Academy Trust is to carry forward a prudent level of revenue reserves for general working capital of up to 2% of restricted GAG income in year and at least 5% of unrestricted income plus one month's payroll in year. Other funds may be designated to meet the long-term cyclical needs of asset renewals and any other unforeseen contingencies, changes in funding and a contribution towards future capital projects.

As at 31 August 2021, all GAG income has been spent and no reserves have been carried forward. After designation of funds for capital and infrastructure projects, the targeted unrestricted funds of £230,000 have been exceeded but considered necessary for changes to future funding streams. At 31 August 2021 the total reserves were £1,185,475 (2020: £2,226,362), restricted reserves were (£620,291) (2020: (£142,408)), of which (£795,000) (2020: (£375,000)) related to the pension reserve and unrestricted reserves were £1,805,766 (2020: £2,368,770). Governors' review of reserves as at 31 August 2021 has taken into account the principal risks and uncertainties outlined below and designation of reserves in order to support the future years.

Investment policy and performance

Due to the nature of the funding cycle, the Academy Trust may at times hold large cash balances which may not be required for immediate use. Short-term bank investment accounts may be used during these periods to take advantage of higher interest rates. No other forms of investment are undertaken.

Fundraising

The Trust complies with the Fundraising Standards Board regulations, are registered with the Fundraising Regulator, haven't used external fundraisers and haven't received any complaints in the period.

Principal risks and uncertainties

The principal financial risk for the Academy Trust during the forward budget planning cycle are changes to the post-16 funding formula and the reduction in formula protection funding over the next 6 years, as well as a reduction of approximately 25 KS5 learners, expected to stabilise at this level in the forward plan. In addition, the Academy faces the sector wide challenges of year on year reduced funding and inflationary increases in both staff and non-staff costs.

The restricted fund pension reserve is in deficit to balance the defined benefit pension scheme liability in long term creditors. This liability is an estimated figure provided by the Actuary of the Local Government pension scheme and will be adjusted when the next tri-annual report is received next year.

South Quay College

Strategic Report – continued

At the date of signing our report there is also the uncertainty of any impact that may be caused due to the UK exiting the European Union. The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to fully evaluate all the potential implications to the Academy Trust's operations, service users, suppliers and the wider economy. Nevertheless, the Governors have looked at the main suppliers and staffing requirements and do not consider any additional mitigations need be put in place.

The Academy Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade debtors.

Risk management

The Governors have assessed the major risks to which the Academy Trust is exposed, particularly those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust and its finances. They have introduced systems, including operational procedures and internal financial controls to minimise risk. Where significant financial risk still remains' they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls.

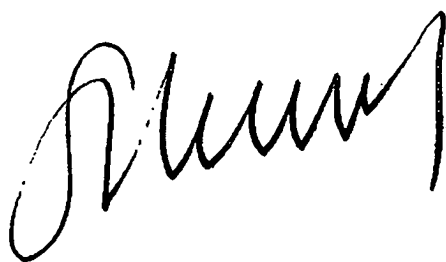
The Academy Trust has a risk register that is reviewed at least annually by the Governing Body. It was last reviewed in October 2019. The register records the risks that have been identified and the control measures it has implemented. The Governance Statement is considered annually.

PROVISION OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Governors have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company's directors, on 14 December 2021 and signed on the board's behalf by:



Simon Appleby

Trustee/Chair of Governors

Date: 14 December 2021

South Quay College

Governance statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that South Quay College has an effective and appropriate system of control, financial and otherwise. 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 ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South Quay College and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

	Meetings attended	Out of a possible
Simon Appleby (Chair)	4	4
Stuart Beck	3	4
Iain Cameron	2	4
Nicola Christie	2	4
Matthew Davison (staff trustee)	4	4
Emmanuel Ofosu-Appiah	3	4
Verity Wythe	4	4
Martin Nirsimloo, (principal and accounting officer)	4	4

A governance review is carried out at least annually, and more often when events dictate. The type of events that lead to an interim review have been more recently retirement of existing governors. The purpose of this sub-committee is to advise the Governing Body on governance matters and to recommend governor candidates for appointment. Additional Governors were appointed during the year. The next annual Self-Assessment and Skills Audit is planned for January 2022.

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to advise the Governing Body on financial strategy and policy within the resources available, and to approve budget estimates and receive reports and monitor income and expenditure against budget estimates.

In practice, the finance committee has operated as a working group with final decisions and approvals made by the main Governing Body; this is due to the current size of the organisation and the number of Governors.

Review of Value for Money

As accounting officer the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and then reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year in 4 key ways as described below.

South Quay College

Governance statement - continued

1 Long term impact and sustainability

South Quay College engage learners who are or are at risk of becoming NEET (Not in Education, Employment or Training), and ultimately seek to remove their barriers to successful progression into the workplace. Our model is progressive and employment focused. This is demonstrated by the proportion of learners progressing into Apprenticeship programmes with major corporate firms through South Quay College.

It has the dual impact of reducing the risk (and cost to the State) of long-term unemployment (resulting in life- long benefit claiming and potential inter-generational worklessness) and increasing tax revenues through learners being in employment, resulting in significant value for money for the taxpayer. It is estimated the total cost to the state of Britain's NEET problem is around £22 billion in additional public spending and a total of up to £77 billion a year when lost income is included. In addition, there are wider social impacts of young people spending time not in education, employment or training, such as the link between NEET status and youth crime. The cost of youth crime is estimated to be £23 million a week. That amounts to an annual cost of £1.2 billion per year.

2 Delivery model and achievement

The education and support services provided were recognised by Ofsted when South Quay College was graded 'Outstanding' in May 2014. South Quay College ethos and values underpin the services it provides. This is demonstrated through staff and management providing a nurturing, ambitious and positive environment for learners to succeed. At the heart of our approach is to put each learner at the centre of our work and to meet their needs on an individualised basis.

3 Robust governance and oversight of South Quay College finances

South Quay College operates a flexible and responsive delivery model and embraces continuous development of its services to ensure that learner success can be optimised. A strong system of financial controls, including timely and accurate financial management information is crucial to the ability to be flexible and responsive. This information is reviewed on a regular basis to assess risk and consider priorities.

Further, both the Accounting Officer and representatives from the Governing body are members of the Finance Committee. They closely review budgets and manage accounts for the Academy and pose challenging questions. This ensures the system of financial governance includes strong oversight by both the Governors and the Accounting Officer. The budgeting process ensures that financial resources are appropriately directed in-year to organisational priorities.

An example of this is in preparation for setting of the 2020/21 budget is that all areas of expenditure were reviewed in detail and a thorough process was carried out to identify where costs could be reduced without compromising quality.

South Quay College has sound internal spending controls as evidenced by results of the annual external audit.

4 Purchasing and procurement

We are committed to ensure that through our purchasing and procurement we achieve value for money at all times. This commitment exists for all those involved with purchasing and procurement.

During 2019/20 South Quay College carried out a detailed review of salaries for all staff. This review included external benchmarking to comparable organisations in the central London region. This review contributes to achieving value for money in the area of staff costs, which accounts for just under 60% of all South Quay College expenditure.

South Quay College reviews significant non-staff related costs on a regular rolling basis to ensure value for money. The most significant of these costs relate to facilities and premises.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 South Quay College for the period ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

South Quay College

Governance statement - continued

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- the identification and management of risks.

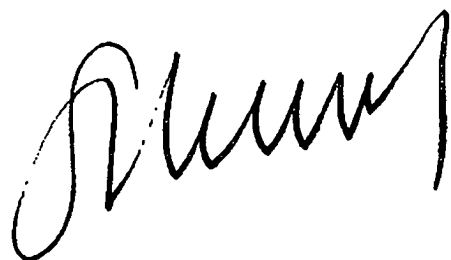
The remit of the Finance Committee includes the functions of an audit committee. The Finance Committee reviews the risks to internal financial control and agrees a programme of work to address and provide assurance on these risks.

Review of Effectiveness

As Accounting Officer, the Principal, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by the:

- work of the external auditor;
- work of the executive managers within the Academy Trust who have responsibility for the development - and maintenance of the internal control framework.

Approved by order of the members of the Governing Body on 14 December 2021 and signed on their behalf, by:



Simon Appleby, Chair
Governors



Martin Nirsimloo, Principal
Accounting Officer

South Quay College

Statement on regularity, propriety and compliance

As Accounting Officer of South Quay College I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook.

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



Martin Nirsimloo, Accounting Officer

South Quay College

Statement of Governors' responsibilities

The Governors (who act as trustees for charitable activities of South Quay College and are also the directors of the company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

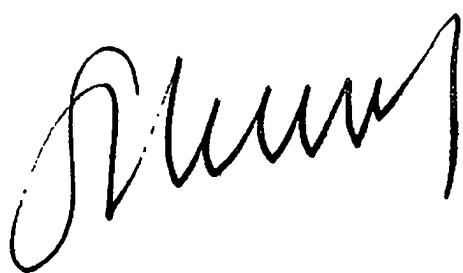
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency/ Department for Education have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 14 December 2021 and signed on its behalf by:



Simon Appleby
Chair of Governors

South Quay College

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH QUAY COLLEGE

Opinion

We have audited the financial statements of South Quay College ("the ' Academy Trust") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2021 and of its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

South Quay College

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH QUAY COLLEGE

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report including the incorporated Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the incorporated Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Academy Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 13, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH QUAY COLLEGE

We evaluated the Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Governors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

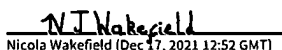
- Making enquiries of the Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the Academy Trust's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.


Nicola Wakefield (Dec 17, 2021 12:52 GMT)

Nicola Wakefield (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court road, Sutton, SM1 4FS

Date: 17-Dec-2021

SOUTH QUAY COLLEGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH QUAY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated November 2021 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Quay College during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South Quay College's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of South Quay College's funding agreement with the Secretary of State for Education dated 20 March 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 September 2020 to 31 August 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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 and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Mazars LLP (Dec 17, 2021 12:53 GMT)

Signature

Mazars LLP

Reporting Accountant

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date:: 17-Dec-2021

South Quay College

Statement of Financial Activities (including Income and expenditure account) For the year ended 31 August 2021

		Unrestricted funds	Designated funds	Restricted funds	Restricted fixed asset fund	Total funds 2021	Total funds 2020
	Notes	£	£	£	£	£	£
Income							
Activities for generating funds	3	900	-	-	-	900	11,515
Investment income	4	190	-	-	-	190	5,264
Funding for Academy's educational operations	5	762,823	-	1,125,214	7,046	1,895,083	3,838,442
Total income		763,913	-	1,125,214	7,046	1,896,173	3,855,221
Expenditure							
Charitable activities		266,141	-	2,260,897	103,022	2,630,060	2,990,568
Total expenditure	7	266,141	-	2,260,897	103,022	2,630,060	2,990,568
Net income/(expenditure) before transfers	8	497,772	-	(1,135,683)	(95,976)	(733,887)	864,653
Transfers between funds	15	(1,022,683)	(38,093)	1,022,683	38,093	-	-
Net (expenditure)/income	15	(524,911)	(38,093)	(113,000)	(57,883)	(733,887)	864,653
Actuarial (loss)/profit on defined benefit pension scheme	17	-	-	(307,000)	-	(307,000)	373,000
Net movement in funds		(524,911)	(38,093)	(420,000)	(57,883)	(1,040,887)	1,237,653
Reconciliation of funds							
Total funds brought forward	15	2,091,557	277,213	(375,000)	232,592	2,226,362	988,709
Total funds carried forward	15,16	1,566,646	239,120	(795,000)	174,709	1,185,475	2,226,362

All amounts relate to continuing activities

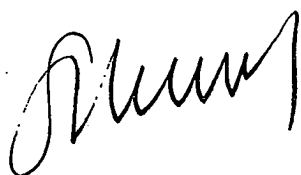
The notes on pages 21 to 35 form part of these financial statements

South Quay College

Balance Sheet as at 31 August 2021

		2021		2020	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		174,709		232,592
			<u>174,709</u>		<u>232,592</u>
Current assets					
Debtors	13	748,476		446,022	
Cash at bank and in hand		1,331,147		2,338,219	
		<u>2,079,623</u>		<u>2,784,241</u>	
Creditors: amounts falling due within one year	14	(273,857)		(415,471)	
Net current assets			<u>1,805,766</u>		<u>2,368,770</u>
Total assets less current liabilities			<u>1,980,475</u>		<u>2,601,362</u>
Defined benefit pension scheme liability 17		(795,000)		(375,000)	
Total net assets			<u>1,185,475</u>		<u>2,226,362</u>
			=====		=====
Academy funds:					
Restricted funds					
Restricted income fund	15	-		-	
Fixed asset fund	15	174,709		232,592	
Pension reserve	15	(795,000)		(375,000)	
Total restricted funds			<u>(620,291)</u>		<u>(142,408)</u>
Unrestricted income funds					
General funds	15	1,566,646		2,091,557	
Designated funds	15	239,120		277,213	
Total Unrestricted funds			<u>1,805,766</u>		<u>2,368,770</u>
Total funds			<u>1,185,475</u>		<u>2,226,362</u>
			=====		=====

The financial statements were approved by the Governors on 14 December 2021 and signed on their behalf by:



Simon Appleby, Chair of Governors

The notes on pages 21 to 35 form part of these financial statements.

South Quay College

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net (expenditure)/income		(1,040,887)	1,237,653
Adjustments for:			
Depreciation		103,022	115,784
Interest income		(190)	(5,264)
Pension charge		113,000	115,000
Pension – actuarial loss/(gain)	17	307,000	(373,000)
(Increase)/Decrease in debtors		(302,454)	229,896
(Decrease) in creditors		(141,614)	(1,288,867)
Cash flows (used in)/generated from operating activities		(962,123)	31,202
Purchase of property plant and equipment		(45,139)	(62,631)
Interest received		190	5,264
Cash outflows used in investing activities		(44,949)	(57,367)
(Decrease) in cash		(1,007,072)	(26,165)
		=====	=====
Cash and cash equivalents at 1 September		2,338,219	2,364,384
(Decrease) in cash		(1,007,072)	(26,165)
Cash and cash equivalents at 31 August		1,331,147	2,338,219
		=====	=====

The notes on pages 21 to 35 form part of these financial statements.

South Quay College

Notes to the Financial Statements - continued For the year ended 31 August 2021

1. Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and, the Academies Accounts Direction 2020 to 2021 issued by ESFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

South Quay College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The trustees have reviewed the cash flow and 2021/22 and 2022/23 budgets and are satisfied that there are sufficient funds to continue operating throughout for this period, and to adopt the going concern approach.

1.3 Company status

The Academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.4 Fund accounting

General funds represent those resources, which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Designated funds are those unrestricted funds, which the Governors have earmarked to be used for a particular purpose.

Restricted funds comprise grants from the DfE and other donors, which are to be used for specific purposes.

1.5 Taxation

The Academy is an exempt charity and as such is exempt from income tax and corporation tax on its charitable activities. The cost of irrecoverable VAT incurred by the Academy has been included in the Statement of Financial Activities.

South Quay College

Notes to the Financial Statements - continued For the year ended 31 August 2021

1. Accounting policies (continued)

1.6 Income

All income is included in the Statement of Financial Activities when the Academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet.

Sponsorship income provided to the Academy, which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable.

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the Balance Sheet date.

The value of donated services and gifts in kind provided to the Academy is recognised in the Statement of Financial Activities as income and expenditure at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.7 Expenditure

Expenditure is recognised in the period in which it is incurred and includes irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

In accordance with the Charities SORP, expenditure has been analysed between the cost of raising funds, the Academy's charitable activities and governance. Items of expenditure, which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

South Quay College

Notes to the Financial Statements - continued For the year ended 31 August 2021

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the financial statements at cost.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the Balance Sheet). The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation is provided on a straight-line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The expected useful lives used for other assets are:

Leasehold property	-	5 years
Plant and machinery	-	3 to 5 years
Fixtures and fittings	-	2½ to 5 years
Computer equipment and software	-	2½ to 5 years

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Pensions

The Academy employees are members of personal stakeholder defined contribution schemes. The assets of these schemes are held separately from those of the Academy, being invested externally. The pension costs for the schemes represent the contributions payable by the Academy in the year.

1.11 Critical judgements and key areas of uncertainty

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which, projects results from the latest actuarial valuation performed at 31 March 2021 to value the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. The Academy Trust is not carrying forward any GAG at the end of the year.

3. Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities, (credits re previous year)	-	-	-	1,893
Other income	900	-	900	9,622
	-----	-----	-----	-----
	900	-	900	11,515
	=====	=====	=====	=====

4. Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	190	-	190	5,264
	=====	=====	=====	=====

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

5. Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grant				
General Annual Grant (GAG)	-	536,885	536,885	2,588,049
Other DfE/ESFA grants	-	550,237	550,237	547,250
	-	1,087,122	1,087,122	3,135,299
DfE/ESFA capital grants				
Devolved formula capital allocations	-	7,046	7,046	7,243
Other government grants				
Local authority grants:				
Key stage 4	388,139	-	388,139	556,226
High needs	374,684	-	374,684	137,665
Exceptional government funding				
Other Coronavirus funding	-	38,092	38,092	2,009
Total funding for educational operations	762,823	1,132,260	1,895,083	3,838,442

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The other coronavirus funding relates to the Year 11 transition fund Covid19 catch-up premium and Covid mass testing income, and covers expenditure included in notes 6 and 9 below as appropriate.

6. Expenditure

	Staff costs £	Premises costs £	Other costs £	Total 2021 £	Total 2020 £
Educational operations					
Direct costs	1,226,330	80,436	132,326	1,439,092	1,391,881
Allocated support costs	271,202	803,743	105,415	1,180,360	1,583,896
Governance costs	-	-	10,608	10,608	14,791
Total	1,497,532	884,179	248,349	2,630,060	2,990,568

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

7. Total expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Direct costs				
Teaching and educational support staff	266,141	960,189	1,226,330	1,164,365
Depreciation	-	80,436	80,436	72,527
Educational supplies	-	41,759	41,759	47,762
Exam fees	-	13,586	13,586	17,659
Staff development	-	4,966	4,966	15,458
Other direct costs	-	72,015	72,015	74,110
Total direct costs	266,141	1,172,951	1,439,092	1,391,881
Support costs				
Support staff cost	-	271,202	271,202	542,104
Depreciation	-	22,586	22,586	43,257
Technology costs	-	42,384	42,384	45,057
Recruitment and support	-	7,285	7,285	558
Maintenance of premises and equipment	-	25,959	25,959	77,847
Cleaning	-	74,821	74,821	72,103
Rent, rates and utilities	-	647,793	647,793	639,888
Energy costs	-	32,584	32,584	26,805
Insurance	-	954	954	1,656
Catering	-	18,163	18,163	20,111
Legal and professional	-	28,053	28,053	102,496
Bank interest and charges	-	878	878	1,526
Other support costs	-	7,698	7,698	10,488
Total support costs	-	1,180,360	1,180,360	1,583,896
Total Direct and Support costs	266,141	2,353,311	2,619,452	2,975,777
Governance costs				
Auditor's remuneration:				
Audit of financial statements	-	10,591	10,591	9,500
Review of various returns and disbursements	-	-	-	1,500
Accountancy/Review of Return – overrun from prior year	-	-	-	1,638
Legal and professional fees	-	-	-	2,053
Other costs	-	17	17	100
	-	10,608	10,608	14,791
Total Expenditure	266,141	2,363,919	2,630,060	2,990,568

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

8. Net (expenditure)/income before transfers

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
Owned by the charity	103,022	115,784
Auditor's remuneration		
Audit of financial statements	10,591	9,500
Review of returns	-	1,500
Accountancy/Review of returns - overrun from prior year	-	1,638
Operating leases	507,559	507,559
	=====	=====

9. Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	869,357	862,698
Social security costs	86,121	83,718
Pension costs	251,915	240,248
	-----	-----
	1,207,393	1,186,664
Staff restructuring costs	23,998	21,188
Agency staff costs	266,141	498,617
	-----	-----
	1,497,532	1,706,469
	=====	=====
Staff restructuring costs comprise:		
Redundancy payments	19,803	4,188
Severance payments	4,195	17,000
	-----	-----
	23,998	21,188
	=====	=====

Pension costs includes £113,000 (2020: £115,000) pension expense provision in relation to the Local Government Pension Scheme.

Included in staff restructuring costs are non-contractual payments of £4,195 (2020: £17,000).

Key management personnel during the year, includes the Principal and the Vice Principal. The total employee benefits of the key management personnel of the academy were £181,635 (2020: £185,364).

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

9. Staff costs (continued)

a. Staff numbers

The average number of persons (including the senior management team) employed by the Academy during the year expressed as headcount and full time equivalents (FTE) were as follows:

	Headcount 2021 No.	FTE 2021 No.	Headcount 2020 No.	FTE 2020 No.
Teachers	9	5	5	5
Administration and support	13	10	16	15
Management	3	3	5	3
	-----	-----	-----	-----
	25	18	26	23
	===	===	===	===

b. Higher paid staff

The number of employees whose emoluments (excluding employer pension contributions costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	2	-
£70,001 - £80,000	-	2
£80,001 - £90,000	1	-

10. Governors' remuneration

During the year retirement benefits were accruing to no Governor (2020: none) in respect of defined contribution pension schemes.

The Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors.

No Governors (2020: none) received remuneration in respect of professional services provided outside their services as Governors. No Governors were remunerated for any of their normal duties that they were fulfilling as Governors. The total payment amount during the year for these services was £nil (2020: £nil).

No Governors (2020: none) received reimbursement of travel expenses during the year.

11. Governors' and Officers' Insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where the UK government funds cover losses that arise.

This scheme protects the Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers' indemnity element from the overall cost on the RPA scheme.

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

12. Fixed assets

	Long Leasehold Land and Buildings £	Fixtures and Fittings £	Plant and Machinery £	Computer equipment £	Total Tangible Fixed Assets £
Cost					
At 1 September 2020	4,284,733	413,454	14,279	513,088	5,225,554
Additions	15,545	26,407	2,424	763	45,139
At 31 August 2021	4,300,278	439,861	16,703	513,851	5,270,693
Depreciation					
At 1 September 2020	4,074,834	392,597	14,279	511,252	4,992,962
Charge for the year	80,436	20,815	-	1,771	103,022
At 31 August 2021	4,155,270	413,412	14,279	513,023	5,095,984
Net book values					
At 31 August 2021	145,008	26,449	2,424	828	174,709
At 31 August 2020	209,899	20,857	-	1,836	232,592

13. Debtors

	2021 £	2020 £
Trade debtors	168,733	272,312
VAT recoverable	49,168	31,463
Other debtors	648	648
Prepayments and accrued income	529,927	141,599
	748,476	446,022

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	101,935	53,783
Other taxation and social security	24,627	31,667
Other creditors	28,402	202,635
Accruals and deferred income	118,893	127,386
	273,857	415,471
Deferred income		
Deferred income at 1 September 2020	38,310	62,054
Released from previous years	(38,310)	(62,054)
Resources deferred in the year – (income received in advance)	69,342	38,310
Deferred income at 31 August 2021	69,342	38,310

15. Statement of funds

	At 01/09/20 £	Income £	Expenditure £	Transfers	Losses £	At 31/08/21 £
Unrestricted funds						
General funds	2,091,557	763,913	(266,141)	(1,022,683)	-	1,566,646
Designated funds	277,213	-	-	(38,093)	-	239,120
	2,368,770	763,913	(266,141)	(1,060,776)	-	1,805,766
Restricted funds						
General Annual Grant (GAG)	-	536,885	(1,559,568)	1,022,683	-	-
Other restricted income	-	588,329	(588,329)	-	-	-
Pension reserve	(375,000)	-	(113,000)	-	(307,000)	(795,000)
	(375,000)	1,125,214	(2,260,897)	1,022,683	(307,000)	(795,000)
Restricted fixed asset funds						
DfE/ESFA capital grants	-	7,046	(103,022)	95,976	-	-
Capital expenditure from GAG	232,592	-	-	(57,883)	-	174,709
	232,592	7,046	(103,022)	38,093	-	174,709
Total restricted funds	(142,408)	1,132,260	(2,363,919)	1,060,776	(307,000)	(620,291)
Total funds	2,226,362	1,896,173	(2,630,060)	-	(307,000)	1,185,475

The Governors have agreed to keep in designated £239,120 (2020: £277,213) for future infrastructure and capital improvement projects. A transfer of £38,093 (2020: £55,388) has been made to the restricted fixed asset fund as a result of capital additions, which were not funded through a capital grant.

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

16. Analysis of funds

	Unrestricted General Funds 2021 £	Unrestricted Designated Funds 2021 £	Restricted Pension Reserve 2021 £	Restricted Fixed Asset Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	-	-	-	174,709	174,709	232,592
Current assets	1,840,503	239,120	-	-	2,079,623	2,784,241
Creditors due within one year	(273,857)	-	-	-	(273,857)	(415,471)
Pension scheme liabilities	-	-	(795,000)	-	(795,000)	(375,000)
	1,566,646	239,120	(795,000)	174,709	1,185,475	2,226,362
	=====	=====	=====	=====	=====	=====

17. Pension commitments

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers have paid a contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

17. Pension commitments (continued)

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

The employer pension costs paid to TPS in respect of the year ended 31 August amounted to £93,495, (2020: £65,673).

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £65,668 (2020: £73,258), of which employer's contributions totalled £45,421 (2020: £54,826) and employees' contributions totalled £20,247 (2020: £18,432). The agreed contribution rates for future years are 21.1% for employers and between 5.5% -12.50%, depending on gross salary, for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

17. Pension commitments (continued)

Local Government Pension Scheme - continued

Principal actuarial assumptions of LGPS

	2021	2020
	%	%
Rate of increase in salaries	3.1	2.4
Rate of increase for pensions in payment	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums	50	50

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

	2021 Years	2020 years
<i>Retiring today</i>		
Males	21.7	21.5
Females	23.9	23.5
<i>Retiring in 20 years</i>		
Males	23.0	22.6
Females	25.7	25.0

The academy's share of the assets in the scheme were:

	2021 £'000	2020 £'000
Equities	695	553
Bonds	96	76
Property	69	55
Cash	9	7
	-----	-----
Total market value of assets at 31 August	869	691
	=====	=====

Amount recognised in the statement of financial activities

	2021 £'000	2020 £'000
Current service cost	(155)	(139)
Past service cost	(-)	(13)
Interest income	12	12
Interest cost	(20)	(24)
	-----	-----
Total amount recognised in the SOFA	(163)	(165)
	=====	=====

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

17. Pension commitments (continued)

Local Government Pension Scheme - continued

Changes in the present value of defined benefit obligations were as follows:

	2021 £'000	2020 £'000
As at 1 September	1,066	1,189
Total service cost	155	152
Interest cost	20	24
Employee contributions (on estimates)	-	18
Estimated benefits paid	(3)	(2)
Actuarial loss/(gain)	406	(315)
	-----	-----
As at 31 August	1,664	1,066
	=====	=====

Changes in the fair value of academy's share of scheme assets:

	2021 £'000	2020 £'000
As at 1 September	691	556
Interest income	12	11
Actuarial gain	99	58
Employer contributions (on estimates)	50	50
Employee contributions (on estimates)	20	18
Estimated benefits paid	(3)	(2)
	-----	-----
As at 31 August	869	691
	=====	=====

Movement in net defined liability during the year:

	2021 £'000	2020 £'000
Fair value of plan assets at 31 August as above	869	691
Present value of plan liabilities	(1,664)	(1,066)
	-----	-----
Net pension scheme liability	(795)	(375)
	=====	=====

South Quay College

Notes to the Financial Statements - continued

For the year ended 31 August 2021

18. Operating lease commitments

At 31 August 2021 the Academy's commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2021	2020
	£	£
Less than 1 year	507,559	507,559
Between 2 and 5 years	2,030,236	2,030,236
More than 5 years	1,142,008	1,649,567
	-----	-----
Total commitments	3,679,803	4,187,362
	=====	=====