



# St Helens College

## Report and Financial Statements

for the year ended 31st July 2024

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## **St Helens College - Reference and Administrative Details**

### **Board of Governors**

A full list of Governors is provided on pages 22 - 24 of these financial statements.

### **Clerk/Company Secretary**

Gillian Hayhurst - Governance Director until 5 October 2023

Carys Bibby - Governance Director from 5 October 2023, Governance Director (designate) from 1 September 2023

### **Key management personnel**

Simon Pierce Principal and Chief Executive, Accounting Officer

Rav Garcha - Deputy CEO and Chief Finance Officer (resigned 3 January 2024)

Darryn Hedges - Interim Finance Director (22 August 2023 – 25 March 2024)

Stephanie Donaldson - Deputy CEO and Chief Finance Officer (appointed 4 March 2024)

Mark Doyle - Deputy Principal (resigned 31 December 2023)

Paula Hastie-Roberts - Interim Vice Principal (resigned 24 November 2023)

Mohammed Ramzan - Vice Principal, Quality & Student Experience (appointed 1 December 2023)

Philip Grant - Vice Principal, Curriculum (appointed 11 March 2024)

Julia Callaghan - Commercial Director

Janet Hulme - Head of People and Organisational Development

**Principal and Registered Office:** Water Street, St Helens, WA10 1PP

### **Principal Professional advisors:**

#### **Financial statements auditors and reporting accountants:**

RSM UK Audit LLP

Bluebell House, Brian Johnson Way,

Preston, Lancashire, PR2 5PE

#### **Internal auditors:**

TIAA Limited

Artillery House, Fort Fareham

Newgate Lane, Fareham, PO14 1AH

#### **Bankers:**

Lloyds Bank

13/15 Hardshaw Street, St Helens, WA10 1QZ

#### **Legal advisors:**

Eversheds Sutherland (International) LLP

Eversheds House, 70 Great Bridgewater Street

Manchester, M1 5ES



## St Helens College – Members Report

The Governing Board present their annual report together with the financial statements and auditor's report for St Helens College for the year ended 31 July 2024.

### Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting St Helens College. The Corporation was incorporated as St Helens College of Arts and Technology. On 1 October 2001, the Secretary of State granted consent to the Corporation to change the College's name to St Helens College.

St Helens College merged with Knowsley Community College, under a Type B merger, on 12 December 2017, thus triggering the dissolution of Knowsley Community College.

St Helens College has one active subsidiary, Waterside Training Limited, a specialist industrial training provider.

Following a review into the classification of Further Education Colleges for the purposes of national accounts, with effect from 29 November 2022 St Helens College is part of central government. The College continues to be a self-governed charity regulated by the Secretary of State for Education but is now subject to the framework for financial management set out in *Managing Public Money*.

The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

### Mission, Vision, Strategy and Objectives

With a mission to "Transform lives through excellence and training", the College's three-year Strategic Plan sets out its ambition to be one of the best technical and vocational colleges in the country and positions the College as a major contributor to the employment and skills ecosystem of the Liverpool City Region.

Six strategic goals provide a framework for more detailed operational activities, transforming the way the College works with students, staff, employers, and local communities:

- Outstanding student experience
- Exceptional curriculum
- Growth
- Transformed estate
- Employer of choice
- Anchor Institution

## St Helens College – Members Report (continued)

Most importantly, students and apprentices remain at the heart of everything the College undertakes. From cultivating aspirational learning environments through outstanding curriculum and facilities to delivering high quality teaching and learning, the College is committed to providing them with every opportunity to excel and achieve the very best outcomes.

Developed in consultation with our teams, the College values define who we are, how we engage with our students, stakeholders, and one another and how they guide us in work:

- Ambition
- Excellence
- Collaboration
- Innovation
- Respect
- Trust
- Care

### Resources

The Group (including the College and its subsidiary undertaking Waterside Training) employed an average of 587 staff during 2023/24 of whom 268 were teaching staff.

The Group enrolled 7,350 students including 2,560 16- to 19-year-olds, 2,820 funded adult learners, 640 fee paying adults, 960 apprentices and 370 higher education students.

The Group has £54.3m of net assets (2023: £52.3m) including £6.7m of pension assets (2023: £4.7m), deferred capital grants of £35.9m (2023: £36.5m) and long-term debt of £5.4m (2023: £6.0m). Cash held at the year-end was £4.4m (2023: £4.5m).

Tangible resources include main campuses at both St Helens town centre and in Knowsley as well as a technology centre in both locations and 4 other sites.

The Group continues to enjoy a good reputation locally and nationally; maintaining a high-quality brand is essential for its success in attracting students and apprentices and maintaining stakeholder confidence.

In its latest Ofsted inspection in March 2023, the College was rated 'Requires Improvement' for overall effectiveness, with a rating of 'Good' for its Apprenticeships and for High Needs provision, both significantly improved since the last inspection in January 2020. The College is working to achieve an overall 'good' rating and can expect a full inspection before the end of 2024/25. An Ofsted monitoring visit in February 2024 identified the College to be making reasonable progress against each of the improvement areas identified at inspection.



## **St Helens College – Members Report (continued)**

During 2023/24 the Senior Team has continued to place teaching, learning and assessment at the centre of all college operations. This has been underpinned by the development of a new Teaching and Learning Strategy, co-developed with teachers and support staff, which sets out the College's ambition and goals for the continued professional development of its teaching staff.

Under the theme of 'developing excellence in teaching and learning', the College has made significant investment in its universal continuous professional development opportunities for all staff, focusing on the craft of teaching and also on the improvement actions identified in the last Ofsted inspection. A wide range of sessions have been facilitated by recognised external trainers and speakers, experienced Ofsted Inspectors and towards the end of the academic year, by teaching staff themselves who shared their progress in delivering the 'supported experiments in learning' initiative.

A new Teaching and Learning Manager leads a team of Teacher Development Coaches that provide targeted support for curriculum teams and tailored coaching for individual teachers.

The College has also invested heavily in tools, to support teacher development including the 'Teaching HOW2s' platform and 'Teacheratic AI'. Staff feedback has been very positive with teachers reporting increased confidence in using new techniques.

### **Stakeholder Relationships**

The College enjoys strong and productive relationships with a wide range of stakeholders, both locally and across the Liverpool City Region, that enable it to respond to the existing and emerging skills needs of employers and its local communities.

The Senior Leadership Team actively seeks strategic engagement with local authorities and business groups and aims to be central to skills improvement planning. Regular discussions with civic leaders and employers and a detailed understanding of the employment and skills strategies of the Liverpool City Region Combined Authority, employer representative bodies and local authorities in St Helens and Knowsley underpin the development of the College's Strategic Plan, Operational Plan and Curriculum Business Plans.

The College's Stakeholder Engagement Strategy sets out at a high-level how the College will communicate and collaborate with its various stakeholders, including students and apprentices, college staff, employers, local communities, and key partner organisations.

The strategy, which seeks to ensure a more deliberate approach to stakeholder management, aims to achieve the following objectives:

## St Helens College – Members Report (continued)

1. To understand the needs, interests, and expectations of its stakeholders and to consider them in the College's decision-making processes;
2. To build trust and mutual understanding between the College and its stakeholders, and to enhance its reputation and credibility;
3. To identify opportunities and challenges for the College and to develop solutions that benefit both the College and its stakeholders; and,
4. To position the College as a local, regional, and national influencer and thought leader.

During 2023/24, a new Vice Principal was appointed with a specific remit to further develop the reputation and standing of the College with stakeholders in Knowsley. This has resulted in improved relationships and positive feedback from the local authority and community leaders. Impact can also be seen in the increased student participation rates at Knowsley campuses and in the rollout of adult provision in community learning venues in Kirkby.

The College has worked closely and collaboratively with other providers, seeking to address duplication of provision, whilst continuing to offer a broad range of provision types with an increased focus on key sectors. There is a clearly defined strategy to specialise in vocational and technical provision and the College has made a deliberate decision not to offer A-Levels, which are delivered locally by high performing further education and sixth form colleges, and school sixth forms in St Helens.

Through the Association of Liverpool City Region Colleges (AoLCRC), the College has worked collaboratively with the other five local further education providers to secure capital funding through the Local Skills Improvement Fund. This has enabled further investment in the College's Green Energy Skills Centre and the development of new facilities for Advanced Manufacturing at the STEM Centre. Revenue funding has supported professional updating of college staff, the development and delivery of skills provision for those furthest from learning and work, and further upskilling of plumbing and heating engineers, for example in the retrofitting of air source heat pumps.

The College continues to work closely with the two local authorities to facilitate medium-term planning of Special Educational Needs and Disabilities (SEND) provision in both boroughs. In response to increased local demand in St Helens, a new facility has been developed at the Town Centre Campus, enabling additional places for high needs students.

Working with the Department for Education and the local authority, the College has responded to the gap in provision created by the closure of the St Helens Chamber of Commerce by increasing places for young people who might otherwise be not in education, employment or training (NEET).



## **St Helens College – Members Report (continued)**

The College works closely with its university partners, University of Chester, University of Lancashire, and Liverpool John Moores University to align its higher education curriculum and enable clear progression pathways. The College is currently developing a revised Higher Education offer that focuses on technical skills in key priority sectors.

The College enjoys excellent relationships with local secondary schools leading to opportunities for 14-16-year-olds who are struggling to engage with mainstream schooling to experience college-based vocational taster sessions and enhanced transitional support. A dedicated School Liaison Team works closely with the schools' careers teachers to provide advice and guidance on post-16 options.

The College has worked strategically with independent training providers, for example in the development of a Rail Engineering programme for ex-offenders and in the development of community-based NEET engagement programmes.

There are strong relationships with large employers and SMEs, who provide a wide range of support to the College including, provision of work experience and industry placements, guest speakers and masterclasses. There have also been generous donations of materials and specialist equipment, which enhance the students' experience and provide access to the most up-to-date skills training. Employers rate their experience of the College as 'good'.

Student representation has been enhanced through the earlier identification and training of student representatives, including specific student leaders for each campus. This has paved the way for a more effective approach to recruitment of student governors.

### **Public Benefit**

St Helens College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 22-24.

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

In delivering its mission, the College provides identifiable public benefits through the advancement of education to 7,350 students, including 143 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The College adjusts its provision to meet the needs of local employers and provides training to over 900 apprentices.



## St Helens College – Members Report (continued)

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 regardless of their educational background.

### Public Value Statement (PVS)

The College seeks to add value to the social, economic, and physical well-being of the communities it serves by:

1. providing education and training in accordance with the College's mission, statement of aims and values, which maximise the life and job prospects of individuals and meet the needs of the employers and the communities in general;
2. raising aspirations of individuals and communities by promoting prospects and celebrating success;
3. ensuring a broad curriculum offer with good progression routes from entry level;
4. promoting healthy lifestyles and good citizenship skills to all students and colleagues;
5. being responsive to the changing needs and circumstances;
6. actively listening to and engaging with the stakeholders of the College, aiming to provide the best possible service;
7. being a respectful and responsible employer;
8. always acting with corporate integrity.

## Financial Review

### Financial results

The Group (including the College and its subsidiary undertaking Waterside Training) incurred a deficit before other gains and losses in the year of £0.4m (2022/23: deficit of £2.0m). The surplus before FRS102 pension adjustments and additional depreciation on donated assets was £0.5m (2022/23: deficit of £0.4m). Group income has increased to £36.3m (2022/23: £32.4m) with increases in 16-19 funding (£15.4m to £18.2m), Apprenticeships income (£3.3m to £3.7m), Adult Skills income (£3.7m to £4.5m) and Free Courses for Jobs (£0.1m to £0.4m) offset by a decrease in Adult Loans (£0.7m to £0.3m), as more courses were provided through Government funding rather than requiring loans.

Staff costs (before agency costs, restructuring costs and FRS102 pension adjustments) have increased by £1.8m (£18.7m to £20.5m) due to a pay award effective January 2024, a non-consolidated pay award in December 2023 and an increase in average staffing numbers from 573 to 587, reflecting the growth in income. Agency costs increased by £0.2m (£0.7m to £0.9m) due to staff vacancies, whilst restructuring costs increased from £46k to £195k due to payments to some senior staff who left during the year.

## St Helens College – Members Report (continued)

Other operating expenses increased by £0.7m (£10.0m to £10.7m). Electricity costs decreased by £0.6m (£1.8m to £1.2m); however, growth in student numbers and high inflation resulted in most other overheads including classroom resources, exam fees, bus passes, food costs and other premises costs increasing by a combined £0.7m. In addition, subcontracting and partner costs to deliver the Adult Skills courses increased by £0.4m (£0.1m to £0.5m).

Total comprehensive income was a gain of £2.0m (2022/23: gain of £37.4m). This includes an actuarial gain of £2.4m (2022/23: gain of £9.2m) on revaluation of the government pension scheme. The 2022/23 gain included recognition of a gift of £30.3m being the valuation of the Stockbridge Lane campus, which is held on a long leasehold. Both years included a depreciation charge of £0.5m on this asset.

The Group has net assets at 31 July 2024 of £54.3m (2023: £52.3m), which includes a cash balance of £4.4m (2023: £4.5m), net current liabilities of £0.6m (2023: £1.0m) and a defined benefit pension asset of £6.7m (2023: £4.7m).

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023/24 the FE funding bodies provided 84% of the Group's total income (2022/23: 79%).

The College has one subsidiary company, Waterside Training Limited, which is a specialist industrial training provider and is 89% owned by the College. In the year to 31 July 2024, its turnover was £1.8m (2022/23: £1.6m), largely due to increased subcontracting charges to the College for apprentices and it made an operating gain before gift aid payments of £317k (2022/23: gain of £270k). Gift aid payments of £317k (2022/23: £270k) to the College were provided for. It has net assets of £21k at 31 July 2024 (2023: £21k).

### Future developments

The Group has set a budget for a strong 'Requires Improvement' financial health score (that is, a health score per the DfE measures at the top of the band for 'Requires Improvement') in 2024/25 reflecting several factors, including the increased number of young people enrolled in September 2023 and the higher funding rates. The budget consolidates a full year of the previous pay award with a continued ambition to make regular pay awards on an annual basis.

The Group also set ambitious targets for further growth in apprenticeship income and to grow the number of students on study programmes. Early indications are that some growth in 16-18 numbers will be achieved, and this along with improved retention in 2023/24, should further increase Group income in 2024/25, with only marginal increases in costs. This should enable the Group to return to a financial health score of Good in future years.



## St Helens College – Members Report (continued)

Under its Estates Master Plan, the Group continues to invest in its estate to maintain modern and vibrant estate facilities, developing new or improved workshops and learning spaces on many campuses. The Group has secured, in partnership with other local FE Colleges, Local Skills Improvement Funding, which includes both capital and revenue strands to enable further investment in construction and manufacturing provision.

### Financial plan

The Governing Body approved a 3 Year Financial Strategy (2024 – 2027) in July 2024 that demonstrates how the College will be responsive to the financial challenges of the sector and ensure that it has a robust financial model underpinning its future plans. To facilitate the College in achieving its six strategic goals, this strategy sets out five core financial priorities to maintain financial sustainability, increase income surplus and enable growth:

1. To achieve long-term financial sustainability and resilience, whilst effectively matching resources to the College's strategic goals;
2. To effectively plan and deliver a programme of capital development that develops the College's estate and delivers on our environmental and sustainability ambitions;
3. To ensure effective and robust financial risk management and control processes;
4. To enable investment in our people as an employer of choice, supporting development, reward and continuous improvement to deliver an exceptional curriculum and outstanding student experience.
5. To grow and diversify income and develop commerciality and opportunity through effective engagement and collaboration with employers, partners, our community and other external organisations across the wider Liverpool City Region.

To deliver the Finance Strategy the College will:

- Monitor and review the Medium-Term Financial Plan, which underpins the Finance Strategy and demonstrates how resources will be managed to deliver the College's Strategic Plan and key priorities;
- Ensure that the Finance Strategy is delivered in accordance with the College's Accountability Agreement, College Financial Handbook, *Managing Public Money* and relevant legislation and accounting standards;
- Enable a robust framework of financial control through effective systems and procedures and appropriate risk management and assurance arrangements, which are subject to continual review and update;
- Maintain alignment with key organisational strategies including (but not limited to) the Curriculum Strategy, People Strategy, Estates Strategy, Environmental and Sustainability Strategy, Marketing Strategy, and Employer Engagement Strategy;

## St Helens College – Members Report (continued)

- Quantify future resource needs and work together collaboratively to protect and develop the College's resources and to deliver for students, apprentices, employers, and other stakeholders; and,
- Ensure accurate and responsive data reporting and monitoring arrangements and undertake benchmarking where appropriate.

### Treasury policies and objectives

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

The Group's Treasury Management Policy is incorporated in the Group's Financial Regulations.

Following reclassification of colleges into the public sector on 29th November 2022, the College is currently restricted from entering into any new bank borrowing agreements.

The Group has no plans to increase its borrowings and is confident it can continue to pay its obligations as per the loan agreements in place prior to the reclassification of colleges.

### Cash flows and liquidity

Net cash flows from operating activities were £1.1m (2022/23: £1.3m). The earnings before interest, release of capital grants and depreciation increased by £0.6m (£1.2m to £1.8m) but adjusting for payments of £0.8m in funding body clawbacks resulted in a small decrease in net cash flow compared to 2022/23.

Net cash for the year decreased by £0.1m (2022/23: increase of £1.5m). The decrease in net cash compared to 2022/23 was due largely to lower capital grant receipts of £1.4m (2022/23: £3.0m) with capital expenditure being unchanged at £2.0m and bank loan capital repayments remaining at £0.5m.

The size of the Group's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. This was achieved during 2023/24 with the £334k of interest paid clearly exceeded by the £1.1m of operating cash flow.



## St Helens College – Members Report (continued)

### Reserves Policy

The Group had no formal Reserves Policy during 2023-24 but a new policy was adopted by the Governing Board after year-end to guide financial decision-making in future. The policy gives guidance on the minimum level of cash working capital and unrestricted reserves balances to ensure the College can both meet any short-term obligations and also ensure long-term sustainability. The reserves policy is not the only means of assessing going concern but contributes to this.

The College aims to build up cash balances to provide continuity even if there are unexpected costs or loss of income and also to provide funds for future investment.

The College seeks to ensure that cash balances do not drop below £2m. Cashflow is monitored on a weekly basis to ensure that pending obligations can be met.

As at the balance sheet date, the Income and Expenditure reserve surplus stands at £54.3m (2023: £52.3m), which includes deferred capital grants of £35.9m (2023: £36.5m) and pension asset of £6.7m (2023: £4.7m). The Group has no restricted reserves at the 31 July 2024 (2023: £nil).

It is the Group's intention to increase reserves through the generation of annual operating surpluses.

### Principal Risks and Uncertainties

The Group continues to develop and improve the system of internal control, including financial, operational and risk management, which is designed to protect the Group's assets and reputation. The Risk Management Framework has been subject to an internal audit assurance review with positive feedback received. Risk management is overseen by the Audit Committee.

At an operational level all risks are managed locally and reviewed at a corporate impact level by the Risk Management Group, chaired by the Deputy CEO and Chief Finance Officer, which meets regularly throughout the year. The Risk Management Group undertakes a comprehensive review of the risks to which the Group is exposed and assesses the effectiveness of controls in place to mitigate these risks. The Risk Management Group will also consider any risks that may arise because of new activities being undertaken by the Group or from external factors (for example, political and environmental risks).

The Corporate Risk Register is updated in consultation with the Executive Leadership Team and reviewed at each meeting of the Audit Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Group and the actions being taken to treat the risks. Risk treatment and subsequent residual risk score are aligned to the corporate risk appetite agreed by the Governing Body. The Audit Committee

## **St Helens College – Members Report (continued)**

further examines corporate risks through deep dive sessions at each meeting of the Committee, directing these toward new or emerging risks or areas of potential concern or focus.

Risk areas under consideration throughout the year included curriculum efficiency, achieving growth in student numbers, student retention and the impact of qualification review and reform. During the year, new risks were added to the Corporate Risk Register and monitored by the Risk Management Group, including environmental sustainability and the College response to climate change, emergency planning and business continuity arrangements and legislative / regulatory changes and response.

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

### **Financial Sustainability & Political Uncertainty:**

The College relies on Government funding bodies for 84% of its total income and, particularly with a change of Government in July 2024, recognises that current policies may change and therefore current or increased levels of public funding are not guaranteed. The College has developed a Finance Strategy (2024-27) and three-year medium term financial plan to ensure that it can be responsive to the financial challenges facing the sector and has a robust financial model underpinning its future plans.

Growth in student numbers and overall income is essential to increased levels of surpluses, enabling the College to offer an exceptional curriculum and outstanding student experience and to continue to invest its estate and workforce.

Progress against the financial aims and objectives outlined in the Finance Strategy is reviewed regularly, in consideration of the College's curriculum strategy, qualification reform, sustainability and other supporting strategies and external risk and opportunity factors. This enables the College to maintain financial sustainability, be responsive to financial risk, and develop a balanced approach to growth that meets the needs of the College and its students, recognising the volatility, uncertainty, complexity and ambiguity of the landscape within which the sector operates.

### **Curriculum Quality and Ofsted Inspection:**

The academic year 2023/24 has seen a rapidly improving culture and clear direction of travel for everyone within the organisation, increasing the pace and momentum of college-wide



## **St Helens College – Members Report (continued)**

improvement. A greater focus on improving the quality of education by all senior leaders and governors has led to considerable investment in a new Head of Teaching, Learning Development and Innovation and further investment in Teacher Development Coaches. A new teaching and learning strategy and framework has been launched recognising the need for rapid improvement and reigniting the passion for pedagogical development for all teachers and assessors across the College. The College monitoring visit in February 2024 judged the College to be making reasonable progress across all five areas for improvement identified in the last full Ofsted inspection. The College has an Ofsted readiness plan in place and College achievement rates across all ages have improved compared to 2022/23.

### **Environmental Sustainability & the College estate:**

The College Environmental Sustainability Strategy is underpinned by an action plan for making its services greener, conserving on energy usage and helping to promote environmental initiatives. An Environmental Sustainability Steering Group has been established, overseen by the Finance, Resource & Commercial Committee and supported by a series of task and finish groups, to proactively address actions and activities identified in the action plan. The seventeen United Nations Sustainable Development Goals (SDGs) have been embedded into the curriculum and the College aims to sign the SDG Accord during 2024. The College is committed to ensuring its buildings are equipped to meet and address the threat of climate change by being energy efficient and meeting waste and carbon standards throughout their lifetimes. To ensure that the College's limited resources are used effectively to take forward its environmental ambitions, environmental sustainability risk considerations are included in all formal decision-making processes.

An Estates Strategy is being developed, which will set out the College's plans to best utilise available resources to deliver a fit-for-purpose estate that enables the College to deliver on its curriculum ambitions whilst meeting its environmental sustainability aims. The College's ability to invest in its estate is limited by the capital funds available, however the College is proactively exploring options to identify and release capital to enable reinvestment and development of the estate. An Estates Working Group has been established to oversee this activity.

### **Cyber Security:**

The College takes proactive steps to significantly reduce the risk of cyber-security attacks and security breaches, including firewalls, anti-virus and anti-spyware prevention and control measures. The College also has a planned programme of IT infrastructure investment, training and communications and simulation testing. Whilst these measures significantly reduce the risk of attacks, the College also has robust backup procedures and business continuity arrangements in place.

## St Helens College – Members Report (continued)

### Staff Recruitment and Retention:

Recruitment and retention of staff, particularly in some curriculum areas, remains a challenge for the College and for the sector as a whole. The College has developed a range of strategies to address this issue and to promote the College as an employer of choice. A new recruitment system has been launched to improve the recruitment process for both recruiting staff and applicants. The College is committed to professional development for all staff and during the year has developed an enhanced suite of people policies and staff benefits / engagement initiatives. The College has also achieved the Investors in Diversity Bronze accreditation and will be working towards achieving Silver accreditation during 2024.

### Key Performance Indicators

The Group's key performance indicators, targets and results are set out below.

Key Performance Indicator	Target for 2024/25 per Budget	Actual 2023/24	Target for 2023/24 per Budget	Actual for 2022/23
ESFA Financial Health Check	Requires Improvement	Good	Requires Improvement	Requires Improvement
Bank Covenant Measures	All achieved	All achieved	All achieved	All achieved
EBITDA/Income %	5.2%	5.2%	5.1%	3.9%
Staff Costs/Income % <sup>1</sup>	66.0%	65.3%	66.1%	64.5%
Average Class Size	15.8	14.4	15.2	14.9

<sup>1</sup>Includes sub-contractor costs but excludes employer pension revaluation costs.

### Student achievements

The impact of improved teaching and learning can be seen in the 6.7% rise in classroom-based achievement rates for young people and a higher proportion achieving high grades at level 3. Overall pass rates have also increased, particularly in technical qualifications with terminal examination components.

Adult achievement also improved and achievement rates for both age groups are now close to the national average calculated for the College's curriculum mix.

Apprenticeship achievements increased by 5% and are now nearly 10% above national averages, with many high performing standards and high grades achieved at end point assessment. This is against a backdrop of a further 18% growth in apprenticeship income.



## St Helens College – Members Report (continued)

Higher education achievement rates also improved through increased completion rates and there was a 7% rise in the proportion of students achieving high grades (First and Upper Second Class Degrees or Merit/Distinction grades for higher national qualifications).

### Streamlined Energy and Carbon Reporting

In July 2023, the Corporation approved its Environmental Sustainability Strategy and during the year developed an Action Plan to deliver on its environmental sustainability ambitions, which was endorsed by the Governing Board in May 2024. An Environmental Sustainability Steering Group has been established, underpinned by a series of Task and Finish Groups that will lead activity to reduce carbon emissions, enable the College to be more sustainable and embed environmental sustainability into the College’s curriculum. During the year, the following has been achieved:

- Continued the programme of converting lighting to low energy LED lighting across the estate;
- Redirected shredded paper waste to be used as animal bedding in the Animal Management Department;
- Included energy saving measures and the reduction of gas fuelled equipment in the specification of the catering kitchen refurbishment programme;
- Continued to replace old inefficient equipment with modern energy efficient equipment.

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

UK Greenhouse gas emissions and energy use data for the period	1 August 2023 to 31 July 2024	1 August 2022 to 31 July 2023
Energy consumption used to calculate emissions (kWh)		
Gas	429,747	357,529
Electricity	3,709,647	4,351,034
Transport Fuel	32,309	39,696
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	78.60	65.26
Owned transport	7.71	9.55
Total	76.31	74.81
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	768.17	841.40
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	20.58	25.23
<b>Total gross emissions in metric tonnes CO2e</b>	<b>865.06</b>	<b>941.44</b>
<u>Offsets</u>		
Market based power (electricity)	768.17	841.40
<b>Total net emissions in metric tonnes CO2e</b>	<b>96.89</b>	<b>100.04</b>
<u>Intensity ratio</u>		
FTE Staff	492	480
Net metric tonnes CO2e (inc. water) per member of staff	0.23076	0.22474

# St Helens College – Members Report (continued)

## Qualification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard, the 2024 UK Government’s Conversion Factors for reporting 2023/24 and the Conversion factors for 2023/24. Data was gathered using a combination of reports and actual bills.

## Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. In 2023/24, the Group paid 54% (2022/23: 56%) of its invoices within 30 days of receipt. Group standard policy is to pay invoices by the end of the month following the date of the invoice. During 2023/24, the Group paid 99% (2022/23: 99%) of its invoices in accordance with its policy or with payment terms agreed with the supplier. The Group incurred no interest charges in respect of late payment for this year.

## Trade union facility time

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

Numbers of employees who were union officials during the relevant period	FTE employee number
5	4.0

Percentage of time on facility hours	Number of employees
0%	-
1-50%	5
51-99%	-
100%	-

Total cost of facility time	£17.1k
Total pay bill	£22,302k
Percentage of total bill spent on facility time	.08%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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## St Helens College – Members Report (continued)

### Equality, Diversity and Inclusion

St Helens College is committed to ensuring equality of opportunity for all who learn and work here and recognises that some individuals or groups require additional opportunities or support to enable this. We respect and value differences in race, gender, sexual orientation, disability, religion or belief and age to create an inclusive workplace and study environment. We strive to be inclusive and remove conditions that place people at a disadvantage. We will actively combat discrimination, in line with our values of respect, trust and care. The College's Equality and Diversity Policy is published on the College's Intranet and external website. The College has achieved Investors in Diversity Bronze accreditation and will be working towards achieving Silver accreditation during 2024.

St Helens College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. Equality impact assessments are undertaken as and when required.

The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues and that opportunities for training, career development and promotion are identical opportunities to those of non-disabled employees.

### Gender Pay Gap Reporting

	Year ending 31 March 2024
Mean gender pay gap	8.64%
Median gender pay gap	11.12%
Mean bonus gender pay gap	N/A
Median gender bonus gap	N/A
Proportion of males/females receiving a bonus	N/A

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	35%	65%
2 – Lower middle quartile	28%	72%
3 – Upper middle quartile	56%	44%
4 – Upper quartile	45%	55%

The College publishes its annual gender pay gap report on its website. The latest report was to 31 March 2024.

## St Helens College – Members Report (continued)

### Disability statement

St Helens Group seeks to achieve the objectives set down in the Equality Act 2010:

- a) The College is accessible to students and staff with a disability. The College regularly reviews the accessibility of its estates to disabled students and staff.
- b) Advice and support are available to all potential students prior to enrolment and throughout their programme. The College will identify individual learning needs on the application form, at interview, through the enrolment process and throughout their time at the College.
- c) The College will provide specialist equipment, as appropriate and reasonable, for use by students and staff dependent upon the nature of their disabilities and need.
- d) The College has a complaints policy and procedure for any students to make a formal complaint if they believe they have not been treated fairly at any time during the admissions process or whilst studying at the College.
- e) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in college prospectuses, and achievements and destinations are recorded and published in the standard college format.
- g) Counselling, welfare, health, wellbeing and safeguarding services are available to all students and staff.
- h) Careers officers are available to provide information and guidance on the range of programmes available to students with disabilities and/or learning difficulties and next step opportunities.

### Going Concern

The financial statements have been prepared on a going concern basis. The Group maintained its cash position during 2023/24 with £1.1m generated from cash from operations, £1.4m of capital grant receipts and £0.2m of investment income used for £2.0m of capital spending and £0.9m to pay down bank loans and interest.

Cash flow forecasts have been prepared for the period through to July 2027, on a prudent basis, incorporating potential risks to funding income, other income streams, asset sales and costs. These forecasts indicate that even at cash low points the Group will continue to have sufficient cash to be able to continue to trade.



## St Helens College – Members Report (continued)

The budget for 2024/25 is for the Group to maintain a similar surplus to 2023/24 with increases in 16-19 funding and apprenticeship income offset by the full year impact of the 6.5% pay award in January 2024. Growth in 16-19 student numbers in 2024/25 and further growth in apprenticeship numbers should allow the Group to continue to invest in its staff and see surpluses grow in 2025/26 and beyond. Capital grants received in the past 2 years will allow the Group to replace old capital equipment and modernize the teaching facilities, whilst the potential proceeds from the sale of surplus land would allow more substantial investment in the College's estate.

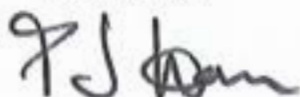
Though at the 31 July 2024 the Group has net current liabilities this is not an issue due to the guaranteed receipt of 16-19 and adult funding for the following 12 months.

Therefore, the Corporation, based on a review of the cash forecasts prepared, is confident the Group will be able to continue to trade, and that there will be no breaches of the bank's covenants.

### Disclosure of Information to Auditors

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

Approved by order of the members of the Corporation on 12 December 2024 and signed on its behalf by:



Philip Han

Chair

## St Helens College

### Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
- iii. having due regard to the UK Corporate Governance Code 2020 insofar as it is applicable to the further education sector.

In the opinion of the Governors, the College complies with the provisions of the Code, and it has complied throughout the year ended 31 July 2024. The Governing Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which was adopted by the College on the 17 May 2018. The 2020 version of The Code was adopted with effect from 1 August 2022. In May 2024, the Governing Board adopted the Association of College's Code of Good Governance 2023 with effect from 1 August 2024.

### The Corporation

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

Governors	Date of appointment	Term of office	Date of resignation	Status	Committees served	Governing Board Attendance
Bill Nixon (Chair until 29 September 2023)	14-Jul-21	4 Years	29-Sep-23	External Governor	Curriculum and Quality Committee; Search and Governance Committee; Performance and	1/1



					Remuneration Committee	
Philip Han (Chair from 29 September 2023)	18-Jan-18	8 Years	-	External Governor	Finance, Resources and Commercial Committee; Performance and Remuneration Committee; Search and Governance Committee	8/8
Simon Pierce	N/A	N/A	-	Principal/ CEO	Curriculum and Quality Committee; Finance, Resources and Commercial Committee; Search and Governance Committee	8/8
David Balsamo	07-Feb-20	4 Years	25-Apr-24	External Governor	Curriculum and Quality Committee; Finance, Resources and Commercial Committee	1/6
Alison Cannon (Vice Chair from 21 March 2024)	18-Jan-18	8 Years	-	External Governor	Audit Committee; Performance and Remuneration Committee; Search and Governance Committee	8/8
Zulakha Desai	25-Mar-21	4 Years	-	External Governor	Curriculum and Quality Committee	6/8

Liz Duncan	21-May-20	8 Years	-	External Governor	Curriculum and Quality Committee	6/8
Paul Gowney	14-Dec-23	1 year	-	External Governor	Finance, Resources and Commercial Committee	3/5
John Heritage	28-Mar-19	8 Years	-	External Governor	Performance and Remuneration Committee; Search and Governance Committee	4/8
Natalie Ibbs	14-Dec-23	1 year	-	External Governor	Finance, Resources and Commercial Committee	4/5
Tim Jones	14-May-24	1 year	19-Sep-24	External Governor		1/1
Andrew Lang	25-Mar-21	4 Years	-	External Governor	Audit Committee	7/8
Jen McGill	10-Nov-22	4 Years	-	Staff Governor		7/8
Andrew Moore	14-Dec-23	1 year	-	Co-opted Member	Audit Committee	N/A
Alun Owen	25-Mar-21	4 Years	-	External Governor	Audit Committee; Curriculum and Quality Committee	6/8
Jim Pinsent	12-Dec-17	8 Years	-	External Governor	Finance, Resources and Commercial Committee	7/8
Michael Ridgeway	2-Oct-23	1 year	31-Jul-23	Student Governor		1/6
Tracey Turner	10-Nov-22	4 Years	-	Staff Governor		8/8



## St Helens College – Corporate Governance (continued)

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance, Resources and Commercial, Curriculum and Quality, Performance & Remuneration, Search & Governance, and Audit. Full minutes of Corporation meetings, except those deemed to be confidential by the Corporation, are available on the College's website at [www.sthelens.ac.uk](http://www.sthelens.ac.uk) or from the Governance Director at:

St Helens College  
Water Street  
St Helens  
WA10 1PP

The Governance Director maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

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

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

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

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

## **St Helens College - Corporate Governance (continued)**

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee, consisting of three members of the Corporation and the Principal who is also a Governor, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years with the option to extend this for a further term of four years subject to Governing Board approval. In exceptional circumstances this may be extended by a further year.

### **Corporation performance**

The College has completed an internal self-assessment of its performance for the year ending 31 July 2024 and graded itself as 'Good' on the Ofsted scale (to be validated by the Governing Board on 12 December 2024).

The Corporation commissioned an external assessment of its governance arrangements in line with Department for Education requirements. The review was undertaken by Ron Hill at Stone King LLP between May and October 2022. The review recognised that the governance of St Helens College is committed, capable and offers considerable potential for future practice. The review acknowledged that the Governing Board has embarked on a range of improvements and seeks to complement this progress with further advice and suggestions to achieve greater influence and impact for the benefit of teaching, learning and student welfare at St Helens College. The Governing Board considered the external review report and approved an action plan, on which all actions have been completed.

Governors have completed mandatory training in Safeguarding and Prevent, Equality and Diversity, GDPR and data protection, cybersecurity and health and safety at work. All governors received bespoke training in year on Further Education funding and on Equality, Diversity and Inclusion from the National Centre for Diversity. The Governance Director and board are enrolled on the Education Training Foundation's Governance Development Programme. Governors have also attended training webinars offered by the Good Governance Institute. The Governance Director and Chair have engaged with the National Leaders of Governance mentoring service.



## St Helens College - Corporate Governance (continued)

### Remuneration Committee

Throughout the year ending 31 July 2024 the College's Performance and Remuneration Committee comprised three members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel. The Corporation adopted The Association of College's Senior Postholder Remuneration Code in May 2019 and complies with the minimum requirements of this, namely that remuneration is fair and appropriate.

Details of remuneration for the year ended 31 July 2024 are set out in note 8 to the financial statements.

### Audit Committee

During the financial year, the Audit Committee comprised of three members of the Corporation (excluding the Accounting Officer and Chair) and a co-optee. The Committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

The Audit Committee met 4 times during the year to 31 July 2024. The committee and their attendance records are as follows:

Committee Member	Meetings Attended
Andrew Lang	4 of 4
Alison Cannon	4 of 4
Alun Owen	2 of 4
Andrew Moore	2 of 2

## St Helens College – Internal Control

### Internal control

#### *Scope of responsibility*

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Principal is personally responsible, in accordance with the responsibilities assigned to the Principal in the Funding Agreement between St Helens College and the funding bodies and the OfS registration conditions. The Principal is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

#### *The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Helens College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

#### *Capacity to handle risk*

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls and arrangements for compliance with legal and regularity matters including those relating to the regularity and propriety of the use of public funding, that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

#### *The risk and control framework*

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



## St Helens College – Internal Control (continued)

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

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

### *Risks faced by the Corporation*

A description of how the College identifies, evaluates and manages risk is set out in the Members' Report on pages 13 -16.

### *Control weaknesses identified*

The internal auditors in their annual report to the Audit Committee have stated 'No significant control issues were identified in 2023/24 as a result of our work undertaken'.

### *Responsibilities under accountability and funding agreements*

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required. The College's Financial Regulations reflects the new requirements and are updated annually, with the latest update in March 2024.

The Corporation keeps under review compliance with Department for Education and Education and Skills Funding Agency and other devolved authority grant funding agreements and contracts, particularly ensuring that funding is used for the purposes given or generated.

## St Helens College – Internal Control (continued)

### *Statement from the Audit Committee*

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

The specific areas of work undertaken by the audit committee in 2023/24 and up to the date of the approval of the financial statements are:

Audit Area	Assurance	Recommendations		
		Urgent	Important	Routine
Procurement	Limited	1	3	0
Student voice	Reasonable	0	0	6
Corporate Governance	Substantial	0	0	0
Human Resources performance management	Reasonable	0	2	1
Key financial controls	Reasonable	0	1	0
Higher Education strategy	Reasonable	0	3	2

The internal auditors also completed one advisory assignment, resulting in the production of a formal report:

- ESFA External Assurance of Sub-contracting controls

No instances were found where sub-contracting arrangements do not comply with funding rules, nor where the College has not complied with specific ESF match funding requirements.

### *Review of effectiveness*

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

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



## St Helens College – Internal Control (continued)

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2024 meeting, the corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior leadership team and the annual report of the Audit Committee and taking account of events since 31 July 2024.

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

Approved by order of the members of the Corporation on the 12 December 2024 and signed on its behalf by:

  
.....

**Philip Han**  
Chair of Governors

  
.....

**Simon Pierce**  
Principal and Accounting Officer

## St Helens College

### Statement of Regularity, Propriety and Compliance

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of the College's accountability agreement, funding agreements and contracts with the ESFA and DfE, and has considered its responsibility to notify the ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

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



Simon Pierce

Principal and Accounting Officer

Date: 12 December 2024

### Statement of the chair of governors

On behalf of the Corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.



Philip Han

Chair of Governors

Date: 12 December 2024



## St Helens College

### Statement of Responsibilities of the Members of the Corporation

The members of the Corporation who act as trustees for the charitable activities of the College are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the Corporation's grant funding agreement and contracts with Education and Skills Funding Agency (ESFA) and any other relevant funding bodies, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the College for that period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction, Accounts Direction issued by the Office for Students and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

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

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the Further Education and Higher Education Statement of Recommended Practice (SORP), that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

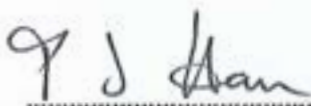
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## St Helens College

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities following the reclassification of college corporations on 29 November 2022.

Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk. They are also responsible for ensuring funds from Office for Students or other sources are properly applied for the purposes for which they have been given and in accordance with relevant legislation or terms and conditions attached to them.

Approved by order of the members of the Corporation on 12 December 2024 and signed on its behalf by:



Philip Han

Chair



## St Helens College

### Independent auditor's report to the Governing Body of St Helens College

#### Opinion

We have audited the financial statements of St Helens College (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2024 which comprise the consolidated statements of comprehensive income and expenditure, the consolidated and college balance sheets, the consolidated and college statements of changes in reserves, the consolidated and college statements of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is 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) and the Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 31 July 2024 and of the Group's and College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Education and Skills Funding Agency.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and college 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 group's or the College'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 Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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' Accounts Direction**

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements 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 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note 2, 3, 4 and 5 to the accounts, has been materially misstated.
- The College's expenditure on access and participation activities for the financial year has been materially misstated.

### **Responsibilities of the Corporation of St Helens College**

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 33 and 34, the Corporation is 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 Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and College operate in and how the Group and College are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency and Regulatory Advice 9: Accounts Direction published by the Office for Students'. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the



Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group and college is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition in respect of apprenticeship income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and inspecting funding agreements and allocations. In respect of the apprenticeship income, we tested a sample of income to supporting learner records, and inspected funding agreements and allocations, reconciling these to the income recognized in the 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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 12 August 2024. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged 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 Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

firm or limited liability partnership  
RSM UK AUDIT LLP  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
PR2 5PE

Date: 17/12/24

# St Helens College

## Consolidated Statements of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding body grants	2	30,423	30,423	25,650	25,650
Tuition fees and education contracts	3	2,703	2,686	3,284	3,267
Other grants and contracts	4	510	510	766	766
Other income	5	2,462	2,366	2,578	2,412
Investment income	6	222	222	117	117
<b>Total income</b>		<b>36,320</b>	<b>36,207</b>	<b>32,395</b>	<b>32,212</b>
<b>EXPENDITURE</b>					
Staff costs	8	22,107	21,000	20,412	19,451
Fundamental restructure costs	8	195	195	46	46
Other operating expenses	9	10,707	11,711	9,969	10,748
Depreciation	12	3,643	3,633	3,470	3,469
Interest and other finance costs	10	82	82	469	469
<b>Total expenditure</b>		<b>36,734</b>	<b>36,621</b>	<b>34,366</b>	<b>34,183</b>
<b>Deficit before other gains and losses</b>		<b>(414)</b>	<b>(414)</b>	<b>(1,971)</b>	<b>(1,971)</b>
Loss on disposal of fixed assets		(6)	(6)	(106)	(106)
Donation of asset		-	-	30,310	30,310
<b>(Deficit)/Surplus before tax</b>		<b>(420)</b>	<b>(420)</b>	<b>28,233</b>	<b>28,233</b>
Taxation	11	-	-	-	-
<b>(Deficit)/Surplus for the year</b>		<b>(420)</b>	<b>(420)</b>	<b>28,233</b>	<b>28,233</b>
Actuarial gain in respect of pension schemes	25	2,391	2,391	9,163	9,163
<b>Total Comprehensive income for the year</b>		<b>1,971</b>	<b>1,971</b>	<b>37,396</b>	<b>37,396</b>

Deficit before other gains and losses		(414)	(414)	(1,971)	(1,971)
Defined Benefit Obligation FRS102 (LGPS)	25	629	629	1,015	1,015
Depreciation on Donated Assets		497	497	497	497
Interest Charge FRS102 (LGPS)	25	(252)	(252)	107	107
<b>Adjusted Operating Surplus/(Deficit)</b>		<b>460</b>	<b>460</b>	<b>(352)</b>	<b>(352)</b>

All Comprehensive Income is Unrestricted.

All items of income and expenditure relate to continuing activities.

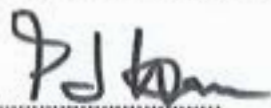


# St Helens College

## Consolidated and College Balance sheets as at 31<sup>st</sup> July 2024

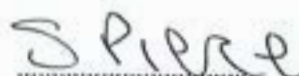
	Notes	Group 2024 £'000	College 2024 £'000	Group as restated 2023 £'000	College as restated 2023 £'000
<b>Non-current assets</b>					
Tangible Fixed assets	12/13	87,619	87,599	89,313	89,283
Investments	14	-	100	-	100
		<b>87,619</b>	<b>87,699</b>	<b>89,313</b>	<b>89,383</b>
<b>Current assets</b>					
Stocks		47	47	46	46
Trade and other receivables	15	2,451	2,734	2,706	2,922
Cash and cash equivalents	20	4,413	4,111	4,508	4,234
		<b>6,911</b>	<b>6,892</b>	<b>7,260</b>	<b>7,202</b>
Less: Creditors – amounts falling due within one year	16	(7,544)	(7,525)	(8,273)	(8,205)
<b>Net current liabilities</b>		<b>(633)</b>	<b>(633)</b>	<b>(1,013)</b>	<b>(1,003)</b>
<b>Total assets less current liabilities</b>		<b>86,986</b>	<b>87,066</b>	<b>88,300</b>	<b>88,380</b>
Creditors – amounts falling due after more than one year	17	(39,417)	(39,417)	(40,688)	(40,688)
<b>Provisions</b>					
Defined benefit obligations	19	6,739	6,739	4,725	4,725
<b>Total net assets</b>		<b>54,308</b>	<b>54,388</b>	<b>52,337</b>	<b>52,417</b>
<b>Unrestricted Reserves</b>					
Income and expenditure account		54,308	54,388	52,337	52,417
<b>Total reserves</b>		<b>54,308</b>	<b>54,388</b>	<b>52,337</b>	<b>52,417</b>

The financial statements on pages 40 to 69 were approved and authorised for issue by the Corporation on 12 December 2024 and were signed on its behalf by:



Philip Han

Chair



Simon Pierce

Principal / Accounting Officer

## St Helens College

### Consolidated and College Statements of Changes in Reserves

	Income and expenditure account	Restricted reserves	Total
	£'000	£'000	£'000
<b>Group</b>			
Balance at 1 <sup>st</sup> August 2022	14,941	-	14,941
Surplus from the Income and expenditure account	28,233	-	28,233
Other comprehensive income	9,163	-	9,163
<b>Total comprehensive income for the year</b>	<b>37,396</b>	<b>-</b>	<b>37,396</b>
<b>Balance at 31<sup>st</sup> July 2023</b>	<b>52,337</b>	<b>-</b>	<b>52,337</b>
Deficit from the income and expenditure account	(420)	-	(420)
Other comprehensive income	2,391	-	2,391
<b>Total comprehensive income for the year</b>	<b>1,971</b>	<b>-</b>	<b>1,971</b>
<b>Balance at 31<sup>st</sup> July 2024</b>	<b>54,308</b>	<b>-</b>	<b>54,308</b>
<b>College</b>			
Balance at 1 <sup>st</sup> August 2022	15,021	-	15,021
Surplus from the income and expenditure account	28,233	-	28,233
Other comprehensive income	9,163	-	9,163
<b>Total comprehensive income for the year</b>	<b>37,396</b>	<b>-</b>	<b>37,396</b>
<b>Balance at 31<sup>st</sup> July 2023</b>	<b>52,417</b>	<b>-</b>	<b>52,417</b>
Deficit from the income and expenditure account	(420)	-	(420)
Other comprehensive income	2,391	-	2,391
<b>Total comprehensive income for the year</b>	<b>1,971</b>	<b>-</b>	<b>1,971</b>
<b>Balance at 31<sup>st</sup> July 2024</b>	<b>54,388</b>	<b>-</b>	<b>54,388</b>



# St Helens College

## Consolidated Statement of Cash Flows

	Notes	2024 £'000	2023 £'000
<b>Cash flow from operating activities</b>			
(Deficit) / Surplus for the year		(420)	28,233
<b>Adjustment for non-cash items</b>			
Depreciation	12	3,643	3,470
Loss on Sale of Fixed Assets		6	106
Donation		-	(30,310)
Release of Government capital grants		(1,927)	(1,662)
(Increase) in stocks		(2)	(14)
Decrease / (Increase) in debtors	15	256	(899)
(Decrease) / Increase in creditors due within one year	16	(898)	983
Pensions costs less contributions payable	25	377	1,122
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(222)	(117)
Interest payable	10	334	362
<b>Net cash flow from operating activities</b>		<b>1,147</b>	<b>1,274</b>
<b>Cash flows from investing activities</b>			
Capital grants received		1,373	2,979
Investment Income	6	222	117
Payments made to acquire fixed assets	12	(1,955)	(1,956)
		<b>(360)</b>	<b>1,140</b>
<b>Cash flows from financing activities</b>			
Interest paid	10	(334)	(362)
Repayments of amounts borrowed	17	(548)	(521)
		<b>(882)</b>	<b>(883)</b>
<b>(Decrease) / Increase in cash and cash equivalents in the year</b>		<b>(95)</b>	<b>1,531</b>
Cash and cash equivalents at beginning of the year	20	4,508	2,977
Cash and cash equivalents at end of the year	20	4,413	4,508

# St Helens College

## College Statement of Cash Flows

	Notes	2024 £'000	2023 £'000
<b>Cash flow from operating activities</b>			
(Deficit) / Surplus for the year		(420)	28,233
<b>Adjustment for non-cash items</b>			
Depreciation	12	3,633	3,469
Loss on sale of fixed assets		6	106
Donation		-	(30,310)
Release of Government capital grants		(1,927)	(1,662)
(Increase) in stocks		(2)	(14)
Decrease / (Increase) in debtors	15	189	(951)
(Decrease) / Increase in creditors due within one year	16	(849)	1,161
Pensions costs less contributions payable	25	377	1,122
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(222)	(117)
Interest payable	10	334	362
<b>Net cash flow from operating activities</b>		<u>1,119</u>	<u>1,399</u>
<b>Cash flows from investing activities</b>			
Capital grants received		1,373	2,979
Investment income	6	222	117
Payments made to acquire fixed assets	12	(1,955)	(1,925)
		<u>(360)</u>	<u>1,171</u>
<b>Cash flows from financing activities</b>			
Interest paid	10	(334)	(362)
Repayments of amounts borrowed	17	(548)	(521)
		<u>(882)</u>	<u>(883)</u>
<b>(Decrease) / Increase in cash and cash equivalents in the year</b>		<u>(123)</u>	<u>1,687</u>
Cash and cash equivalents at beginning of the year	20	4,234	2,547
Cash and cash equivalents at end of the year	20	4,111	4,234



# St Helens College

## Notes to the Accounts

### 1. Statement of accounting policies and estimation techniques

St Helens College is a Corporation established under the Further Education and Higher Education Act 1992 as an English general College of Further Education. The address including the principal place of business is set out on page 3. The nature of operations is set out in the Members' Report.

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

#### **Basis of preparation**

These financial statements have been prepared in accordance with the College Accounts Direction for 2023 to 2024, the Supplementary Bulletin to the College Accounts Direction for 2023-24, the Post-16 Audit Code of Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), and regulatory advice 9: Accounts Direction issued by the Office For Students, and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention. Monetary amounts are rounded to the nearest whole £1,000 unless otherwise stated. The consolidated financial statements are presented in sterling which is also the functional currency of the College.

#### **Basis of consolidation**

The consolidated financial statements include the College and its subsidiary, Waterside Training Limited (the Group). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2024.

#### **Going concern**

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

The financial statements are prepared on a going concern basis. The Group has reported Total Comprehensive Income of £1,971k for the year to 31 July 2024 (2022/23: £37,396k); a decrease in cash of £95k (2022/23: an increase in cash of £1,531k) and at 31 July 2024 had net assets of £54,308k (2023: £52,337k).

## St Helens College – Notes to the Accounts (continued)

The net assets figure of £54,308k includes an estimated surplus asset of £6,739k arising from the Group's membership of the Merseyside Local Government Superannuation Scheme and a liability of £35,914k in Government Capital Grants.

Then Group has net current liabilities of £633k at 31 July 2024 but this includes £1,932k of deferred capital grants and thus working capital is £1,300k.

The Group currently has £6,014k of loans outstanding with bankers on 25-year loan agreements on terms negotiated in 2007.

The Group has prepared cash flow forecasts through to 31 July 2027 on a conservative basis and by applying various sensitivities. These forecasts indicate that the Group will be able to continue to trade for the foreseeable future and that it will be able to operate within its existing bank covenants.

Accordingly, the Governors believe it is appropriate to continue to adopt the going concern basis in the preparation of the 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. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

Grants (including research grants) from non-government sources are recognised in income when the Group 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 method as permitted by FRS 102. The deferred income is allocated between creditors due within one year and those due after more than one year. Other capital grants are recognised in income when the Group 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.



## St Helens College – Notes to the Accounts (continued)

### *Fee Income*

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period to which it is attributable with any fees not received disclosed as accrued income and any fees received in advance disclosed as deferred income in the balance sheet.

### *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.

### *Other Income*

Income from other revenue streams such as catering, nursery provision and rental income is recognised at the fair value of the consideration received or receivable for the sale of the goods or services to external customers. Turnover is shown net of Value Added Tax.

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

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

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

The 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 Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme, and the Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### *Merseyside Local Government Pension Scheme (LGPS)*

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

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

## St Helens College – Notes to the Accounts (continued)

The FRS 102 valuation of the LGPS pension scheme gives rise to a surplus recognised in the Balance sheet of £6.7m. The actual surplus of the LGPS scheme (based on its actual combination of assets and liabilities) at 31<sup>st</sup> March 2022 was £7.6m with the scheme being 108.6% funded.

Actuarial gains and losses are recognised immediately in other recognised 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 Group. Any unused benefits are accrued and measured as the additional amount the Group expects to pay as a result of the unused entitlement.

### Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the 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 in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

### Tangible fixed assets

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

#### *Land and buildings*

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

- Buildings – 50 years
- Major Refurbishments – 20 years
- Minor Refurbishments – 10 years

Freehold land is not depreciated.

Long leasehold buildings are depreciated over 25 or 50 years and short leasehold building over the length of the lease.

Freehold buildings are depreciated over their expected useful economic life to the Group of 50 years. The Group has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 20 years, and minor adaptations over 10 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred 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.



## St Helens College – Notes to the Accounts (continued)

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

### *Assets under construction*

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

### *Subsequent expenditure on existing fixed assets*

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

### *Equipment*

Equipment costing more than £2,000 per individual item (or with combined value of £10,000 or more for a group of similar items with individual values less than £2,000) are capitalised at cost.

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

- |                                    |             |
|------------------------------------|-------------|
| • technical equipment              | 4 years     |
| • motor vehicles                   | 4 years     |
| • computer equipment               | 2 - 4 years |
| • furniture, fixtures and fittings | 4 years     |

### *Impairment of fixed assets*

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets is treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life

### **Borrowing costs**

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

## St Helens College – Notes to the Accounts (continued)

### Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1<sup>st</sup> August 2014 are spread over the minimum lease term. The Group 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 1<sup>st</sup> August 2014.

### Investments

#### *Investments in subsidiaries*

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

Investments in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment are recognised immediately in comprehensive income.

### Inventories

Inventories are stated at the lower of their cost (using the first in first out method) and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving, and defective items.

### Cash and cash equivalents

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

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

### Financial liabilities and equity

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

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

### Taxation

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



## St Helens College – Notes to the Accounts (continued)

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 2% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

### Provisions and contingent liabilities

Provisions are recognised when

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

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

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.

### Agency arrangements

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

### Critical accounting judgements and estimation uncertainty

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

#### *Critical areas of judgement*

- *Leases*

Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

## St Helens College – Notes to the Accounts (continued)

### *Critical accounting estimates and assumptions*

- *Tangible fixed assets*

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

In August 2022 a 125 year lease at a peppercorn rent for a site at Stockbridge Lane, Knowsley was entered into. A valuation on a depreciated replacement cost basis was carried out which gave a cost for the site of £30.3m. The asset has been recorded as the donation of a gift at £30.3m and the asset included within fixed assets. The buildings element of the valuation is being depreciated over 50 years giving an annual depreciation cost of £497k.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension obligation. Furthermore, a roll forward approach which projects results from the actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation or asset at 31 July 2024. 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.

The value of the College's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

- *Impairment of fixed assets*

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





## St Helens College – Notes to the Accounts (continued)

5 Other income	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	650	650	789	789
Other income generating activities	1,400	975	1,279	908
Miscellaneous income	412	741	510	715
<b>Total</b>	<b>2,462</b>	<b>2,366</b>	<b>2,578</b>	<b>2,412</b>

6 Investment income	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	222	222	117	117
<b>Total</b>	<b>222</b>	<b>222</b>	<b>117</b>	<b>117</b>

### 7 Analysis of Grant and Fee Income for Office for Students

	2024	2023
	£'000	£'000
Grant income from the Office for Students	352	353
Grant income from other bodies	30,071	25,297
Fee income from taught awards (exclusive of VAT)	2,009	2,130
Fee income for research awards (inclusive of VAT)	-	-
Fee income for non-qualifying courses	694	1,154
<b>Total</b>	<b>33,126</b>	<b>28,934</b>

### 8 Staff costs – Group and College

The average number of persons (including key management personnel) employed by the Group and College during the year, on an average headcount basis, was:

	Group	College	Group	College
	2024	2024	2023	2023
	No.	No.	No.	No.
Teaching staff	268	268	267	267
Non-teaching staff	319	244	306	235
	<b>587</b>	<b>512</b>	<b>573</b>	<b>502</b>



## St Helens College – Notes to the Accounts (continued)

### Staff costs for the above persons

	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Wages and salaries	16,231	15,332	14,828	14,096
Social security costs	1,454	1,420	1,325	1,298
Other pension costs	3,047	3,036	3,257	3,248
Other employee related costs	436	411	312	299
<b>Payroll sub total</b>	<b>21,168</b>	<b>20,199</b>	<b>19,722</b>	<b>18,941</b>
Contracted out staffing services	939	801	690	510
	<u>22,107</u>	<u>21,000</u>	<u>20,412</u>	<u>19,451</u>
Fundamental restructuring costs – Contractual	195	195	46	46
<b>Total Staff costs</b>	<b>22,302</b>	<b>21,195</b>	<b>20,458</b>	<b>19,497</b>

The number of staff to whom the restructuring costs relate in 2023/24 was 18 (2022/23: 12), disclosed in the following bands:

	2024	2023
£0 - £25,000	16	12
£25,001 - £50,000	1	0
£50,001 - £100,000	1	0

Included in staff restructuring costs are special severance payments totalling £57,224 (2023: £nil). Individually, the payments were: £8,310, £19,000 and £29,914.

### 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 leadership team which comprises the Chief Executive Officer, Chief Financial Officer, two Vice Principals, Commercial Director and Director of People.

Staff costs include compensation paid to key management personnel for loss of office. Payments totalling £48,914 were paid to a total of 2 key management personnel.

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

	2024	2023
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>3</u>	<u>3</u>

## St Helens College – Notes to the Accounts (continued)

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

	Key management personnel		Other staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 to £65,000	-	-	3	-
£65,001 to £70,000	1	-	-	-
£70,001 to £75,000	-	-	-	3
£75,001 to £80,000	1	-	-	-
£95,001 to £100,000	-	1	-	-
£125,001 to £130,000	-	1	-	-
£135,001 to £140,000	-	1	-	-
£145,001 to £150,000	1	-	-	-
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

In 2023/24 the Chief Finance Officer at the beginning of the year resigned January 2024. On a full year basis, the total emoluments would have been in the £135k to £140k range. An interim Chief Finance Officer was employed August 2023 - March 2024. On a full year basis, the total emoluments would have fallen in the £175k to £180k range. A new Chief Finance Officer was employed March 2024. On a full year basis, the total emoluments would fall in the £100k to £105k range.

In 2023/24 an Interim Vice Principal at the start of the year resigned in November 2023 and another Vice Principal at the start of the year resigned in December 2023. On a full year basis their total emoluments would have fallen in the £130k to £135k and £100k to £105k ranges, respectively. Two Vice Principals were appointed in December 2023 and March 2024. On a full year basis their total emoluments would have fallen in the £100k to £105k and £85k to £90k ranges, respectively.

Key management personnel emoluments are made up as follows:

	2024	2023
	£'000	£'000
Salaries	657	361
Employer's National Insurance	88	46
Holiday Pay	38	-
Benefits in kind	3	2
	<u>786</u>	<u>409</u>
Pension contributions – regular	131	79
<b>Total emoluments</b>	<u>917</u>	<u>488</u>



## St Helens College – Notes to the Accounts (continued)

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above emoluments include amounts payable to the Principal and Chief Executive who is the Accounting Officer. His pay and remuneration is as follows:

	2024	2023
	£'000	£'000
Salaries	145	137
Benefits in kind	3	2
Pension contributions	37	33
	<u>185</u>	<u>172</u>

The Accounting officer was the highest paid officer in 2023/24 and 2022/23.

The remuneration package of key management staff, including the Principal and Chief Executive are subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The Principal and Chief Executive received a 6.5% pay award with effect from 1 January 2024 (3% pay award on 1 January 2023). The Principal and Chief Executive was not involved in setting his remuneration.

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

The members of the Corporation other than the Accounting Officer and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties (note 26).

The College has adopted and complied with the Association of College's Senior Staff Remuneration Code and has regard for the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs.

### Pay Multiples

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

Principal and CEO's basic salary (full time equivalent) as a multiple of the median of all staff

2024	2023
<u>4.67</u>	<u>4.68</u>

Principal and CEO's total remuneration (full time equivalent) as a multiple of the median of all staff

2024	2023
<u>4.81</u>	<u>4.82</u>

The Pay multiple calculations have been determined by dividing the annual full-time equivalent salary of the Principal by the median annual full time equivalent salaries of the College's employees as at 31 July in each of the respective years. Hourly paid staff are excluded from the calculation as they only work during term time and only on a part time basis.

## St Helens College – Notes to the Accounts (continued)

### 9 Other operating expenses

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Teaching costs	3,822	3,711	2,802	2,721
Non-teaching costs	3,328	3,840	3,306	3,662
Premises costs	3,557	4,160	3,861	4,365
<b>Total</b>	<b>10,707</b>	<b>11,711</b>	<b>9,969</b>	<b>10,748</b>

#### Other operating expenses include:

	2024 £'000	2023 £'000
Auditors' remuneration:		
Financial statements audit <sup>1</sup>	58	52
Internal audit	24	25
Other services provided by the financial statements' auditor	0	1
Other services provided by the internal auditors	0	4
Hire of assets under operating leases	91	103
Payments to subcontractors	360	70

<sup>1</sup> Includes £50,000 (2023: £44,000) in respect of the College.

### 9a Access and Participation Expenditure

The College incurred the following expenditure in relation to its Access and Participation plan, which is published on the College's website [www.sthelens.ac.uk](http://www.sthelens.ac.uk).

	£	£
Access Investment	24,146	30,869
Financial Support to Students	69,760	74,071
Disability Support	2,193	1,934
Research and Evaluation	43,026	39,009

The above costs include £51,585 (2023: £45,916) in relation to staff costs, all of which are included in the staff costs per Note 8

### 10 Interest and other finance costs – Group and College

	2024 £'000	2023 £'000
On bank loans, overdrafts, and other loans:	334	362
Pension finance costs (note 25)	(252)	107
<b>Total</b>	<b>82</b>	<b>469</b>



## St Helens College – Notes to the Accounts (continued)

### 11 Taxation – Group only

	2024 £'000	2023 £'000
United Kingdom corporation tax at 19 per cent	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

### 12 Tangible fixed assets (Group)

	Land and buildings		Equipment	Total
	Freehold £'000	Long leasehold £'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 August 2023	91,344	31,481	4,905	127,730
Additions	342	-	1,613	1,955
Donation	-	-	-	-
Disposals	(511)	-	(260)	(771)
<b>At 31 July 2024</b>	<u>91,175</u>	<u>31,481</u>	<u>6,258</u>	<u>128,914</u>
<b>Depreciation</b>				
At 1 August 2023	35,107	1,288	2,022	38,417
Charge for the year	2,360	548	735	3,643
Charge on donated asset	-	-	-	-
Elimination in respect of disposals	(505)	-	(260)	(765)
<b>At 31 July 2024</b>	<u>36,962</u>	<u>1,836</u>	<u>2,497</u>	<u>41,295</u>
<b>Net book value at 31 July 2024</b>	<u>54,213</u>	<u>29,645</u>	<u>3,761</u>	<u>87,619</u>
<b>Net book value at 31 July 2023</b>	<u>56,237</u>	<u>30,193</u>	<u>2,883</u>	<u>89,313</u>

## St Helens College – Notes to the Accounts (continued)

### 13 Tangible fixed assets (College)

	Land and buildings		Equipment	Total
	Freehold	Long leasehold		
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 August 2023	91,344	31,481	4,873	127,698
Additions	342	-	1,613	1,955
Donation	-	-	-	-
Disposals	(511)	-	(260)	(771)
<b>At 31 July 2024</b>	<b>91,175</b>	<b>31,481</b>	<b>6,226</b>	<b>128,882</b>
<b>Depreciation</b>				
At 1 August 2023	35,107	1,288	2,020	38,415
Charge for the year	2,360	548	725	3,633
Charge on donated asset	-	-	-	-
Elimination in respect of disposals	(505)	-	(260)	(765)
<b>At 31 July 2024</b>	<b>36,962</b>	<b>1,836</b>	<b>2,485</b>	<b>41,283</b>
<b>Net book value at 31 July 2024</b>	<b>54,213</b>	<b>29,645</b>	<b>3,741</b>	<b>87,599</b>
Net book value at 31 July 2023	56,237	30,193	2,853	89,283

### 14 Non-current investments

	Group	College	Group	College
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Investments in subsidiary companies	-	100	-	100
<b>Total</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>

The College owns 89 per cent of the issued ordinary £1 shares of Waterside Training Limited, a company incorporated in England and Wales.

The principal activity of Waterside Training Limited is the delivery of training for individuals and companies in the engineering industry.



## St Helens College – Notes to the Accounts (continued)

### 15 Trade and Other Receivables

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Amounts falling due within one year:				
Trade receivables	126	82	438	357
Amounts owed by group undertakings:				
Subsidiary undertakings	-	332	-	302
Prepayments and accrued income	1,491	1,486	1,397	1,392
Amounts owed by ESFA	834	834	871	871
<b>Total</b>	<b>2,451</b>	<b>2,734</b>	<b>2,706</b>	<b>2,922</b>

### 16 Creditors: amounts falling due within one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans and overdrafts	579	579	548	548
Trade payables	1,185	1,166	1,581	1,556
Amounts owed to group undertakings:				
Subsidiary undertakings	-	92	-	45
Other taxation and social security	676	646	589	564
Accruals and deferred income	2,179	2,119	2,010	1,977
Holiday pay accrual	177	177	181	181
Deferred income - government capital grants	1,932	1,932	1,794	1,794
Amounts owed to the ESFA	306	306	1,097	1,097
Other creditors	510	508	473	443
<b>Total</b>	<b>7,544</b>	<b>7,525</b>	<b>8,273</b>	<b>8,205</b>

### 17 Creditors: amounts falling due after one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans	5,435	5,435	6,014	6,014
Deferred income - government capital grants	33,982	33,982	34,674	34,674
<b>Total</b>	<b>39,417</b>	<b>39,417</b>	<b>40,688</b>	<b>40,688</b>

## St Helens College – Notes to the Accounts (continued)

### 18 Maturity of debt

#### (a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
In one year or less	579	579	548	548
Between one and two years	610	610	579	579
Between two and five years	2,034	2,034	1,929	1,929
In five years or more	2,791	2,791	3,506	3,506
<b>Total</b>	<b>6,014</b>	<b>6,014</b>	<b>6,562</b>	<b>6,562</b>

Bank loans with interest rates of between 5.23% and 5.39% repayable by instalments falling due between August 2024 and November 2032 totalling £6,014k, are secured on a portion of the freehold land and buildings of the Group.

### 19 Provisions

	Group and College		
	Defined benefit assets	Other	Total
	£'000	£'000	£'000
At 1 August 2023	(4,725)	-	(4,725)
Expenditure in the period	-	-	-
Movements in period	(2,014)	-	(2,014)
<b>At 31 July 2024</b>	<b>(6,739)</b>	<b>-</b>	<b>(6,739)</b>

Defined benefit (assets) / obligations relate to the liabilities or assets under the College's membership of the Local Government Pension Scheme. Further details are given in Note 25.



## St Helens College – Notes to the Accounts (continued)

### 20 Analysis of changes in net funds

	At 1 August 2023	Cash flows	At 31 July 2024
Group	£'000	£'000	£'000
Cash and cash equivalents	4,508	(95)	4,413
Bank loans	(6,562)	548	(6,014)
<b>Net debt</b>	<b>(2,054)</b>	<b>453</b>	<b>(1,601)</b>
<b>College</b>			
Cash and cash equivalents	4,234	(123)	4,111
Bank loans	(6,562)	548	(6,014)
<b>Net debt</b>	<b>(2,328)</b>	<b>425</b>	<b>(1,903)</b>

### 21 Capital and other commitments

	Group and College	
	2024 £'000	2023 £'000
Commitments contracted for at 31 July	-	595

### 22 Lease obligations

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

	Group and College	
	2024 £'000	2023 £'000
<b>Future minimum lease payments due</b>		
<b>Land and buildings</b>		
Not later than one year	1,074	1,016
Later than one year and not later than five years	4,727	4,483
Later than five years	7,093	8,223
	<u>12,894</u>	<u>13,722</u>
<b>Other</b>		
Not later than one year	59	74
Later than one year and not later than five years	174	22
Later than five years	-	-
	<u>233</u>	<u>96</u>

### 23 Contingent liabilities

There are no contingent liabilities at year end.

## St Helens College – Notes to the Accounts (continued)

### 24 Events after the reporting period

There are no material events after 31 July 2024.

### 25 Defined benefit obligations

The Group's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Merseyside Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wirral MBC. Both are multi-employer defined-benefit plans.

Total pension cost for the year	2024 £000	2023 £000
Teachers' Pension Scheme: contributions paid	1,985	1,723
Local Government Pension Scheme:		
Contributions paid	422	509
FRS 102 (28) charge	629	1,015
Charge to the Statement of Comprehensive Income	1,051	1,524
Other pension contributions	11	10
<b>Total Pension Cost for Year within staff costs</b>	<b>3,047</b>	<b>3,257</b>

The LGPS contributions paid figure above of £422k does not include pension costs in relation to redundancies that are accounted for within restructuring costs in the financial statements.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those by employers, are credited to the Exchequer. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2024, the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach. The valuation report was published on 26 October 2024. The key results of the valuation are:



## St Helens College – Notes to the Accounts (continued)

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion;
- Value of notional assets (estimated future contributions together with proceeds from the notional investments held at the valuation date) of £222 billion;
- Notional past service deficit of £39.8 billion (2016: £22 billion)
- Discount rate is 1.7% in excess of CPI (2016: 2.4% in excess of CPI (this change has had the greatest financial significance)).

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared with 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover additional costs during the 2023-24 academic year, and currently through to July 2025.

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

The employer pension costs paid to TPS in the year amounted to £1,985k (2023: £1,723k).

### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Wirral MBC Local Authority. The total contributions made for the year ended 31 July 2024 were £805,356, of which employer's contributions totalled £422,433 and employees' contributions totalled £382,923. The agreed contribution rates for employers throughout 2023-24 were 20.1% and ranged from 5.5% to 12.5% for employees, depending on salary.

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP".

However, in response to this judgement HM Treasury stated that "public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgment", clearly implying that the Government (who have the overall power to determine benefits provision) believe the judgement itself will not affect the benefits. Therefore, the natural conclusion for the main public service pension schemes including the Local Government Pension Scheme is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgment, at least at the present time, and so we have not made any allowance for any additional liabilities at this stage. This is consistent with previous accounting disclosures.

There is a separate wider potential issue in relation to GMP equality in general. At present, the public service schemes are required to provide full CPI pension increases on GMP benefits for members who reached State Pension Age between 6 April 2016 and 5 April 2021. The UK Government may well extend this at some point in the future to include members who reached State Pension Age from 6 April 2021 onwards. A provision of £242,000 has been provided at 31 July 2024 (2023: £242,000) for the cost of extending GMP equalisation to members who reached State Pension Age after 2021.

## St Helens College – Notes to the Accounts (continued)

### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary.

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	4.1%	4.2%
Future pensions increases	2.7%	2.8%
Discount rate for scheme liabilities	4.9%	5.1%
Inflation assumption (CPI)	2.6%	2.7%
Commutation of pensions to lump sums	0.0%	0.0%

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

	At 31 July 2024 Years	At 31 July 2023 Years
<i>Retiring today</i>		
Males	20.8	20.8
Females	23.4	23.3
<i>Retiring in 20 years</i>		
Males	22.0	22.1
Females	25.1	25.1

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

	Long term rate of return expected at 31 July 2024	Fair Value at 31 July 2024 £'000	Long term rate of return expected at 31 July 2023	Fair Value at 31 July 2023 £'000
Equity instruments	41.10%	39,223	45.50%	41,841
Government bonds	17.50%	16,701	13.20%	12,138
Other bonds	6.00%	5,726	4.10%	3,770
Property	8.70%	8,303	10.50%	9,656
Cash	5.50%	5,249	2.70%	2,483
Other	21.20%	20,232	24.00%	22,070
<b>Total fair value of plan assets</b>		<b>95,434</b>		<b>91,958</b>
<b>Rate of return on period end assets</b>		<b>6.30%</b>		<b>3.20%</b>
<b>Actual return on plan assets</b>		<b>6,047</b>		<b>2,976</b>



## St Helens College – Notes to the Accounts (continued)

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

	2024 £'000	2023 £'000
Fair value of plan assets	95,434	91,958
Present value of plan liabilities	(85,657)	(82,755)
Impact of asset ceiling	(3,038)	(4,478)
<b>Net pensions asset (Note 19)</b>	<u>6,739</u>	<u>4,725</u>

The value of the College's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

The College is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

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

	2024 £'000	2023 £'000
<b>Amounts included in staff costs</b>		
Current service cost less employer contributions	(598)	(986)
Administration expenses	(31)	(29)
Past service cost	-	-
GMP equalisation provision	-	-
Effect of curtailments	-	-
<b>Total</b>	<u>(629)</u>	<u>(1,015)</u>
<b>Amounts included in finance costs</b>		
Net interest cost (note 10)	252	(107)
	<u>252</u>	<u>(107)</u>
<b>Amount recognised in Other Comprehensive Income</b>		
Return on pension plan assets	1,422	(8,307)
Experience gains/(losses) arising on defined benefit obligations	405	(5,922)
Changes in assumptions underlying the present value of plan	(1,104)	27,870
Effect of asset ceiling	1,668	(4,478)
<b>Amount recognised in Other Comprehensive Income</b>	<u>2,391</u>	<u>9,163</u>

## St Helens College – Notes to the Accounts (continued)

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

	2024	2023
	£'000	£'000
Net defined benefit liability in scheme at 1 August	4,725	(3,316)
Movement in year:		
Current service cost	(1,012)	(1,473)
Employer contributions	414	487
Administration expenses	(31)	(29)
Effect of curtailments	-	-
Past service cost	-	-
GMP Equalisation Provision	-	-
Net interest on the defined liability	252	(107)
Business combinations	-	-
Actuarial gain or loss	2,391	9,163
<b>Net defined benefit asset at 31 July</b>	<b>6,739</b>	<b>4,725</b>

### Asset and Liability Reconciliation

	2024	2023
	£'000	£'000

#### Changes in the present value of defined benefit obligations

Defined benefit obligations at start of period	82,755	101,842
Current service cost	1,012	1,473
Interest cost	4,145	3,527
Contributions by Scheme participants	380	356
Experience gains and losses on defined benefit obligations	(405)	5,922
Changes in financial assumptions	1,385	(26,492)
Changes in demographic assumptions	(281)	(1,378)
Estimated benefits paid	(3,334)	(2,495)
Past Service cost	-	-
Curtailments and settlements	-	-
<b>Defined benefit obligations at end of period</b>	<b>85,657</b>	<b>82,755</b>

Fair value of plan assets at start of period	91,958	98,526
Interest on plan assets	4,625	3,420
Return on plan assets	1,422	(8,307)
Employer contributions	414	487
Contributions by Scheme participants	380	356
Administration expenses	(31)	(29)
Estimated benefits paid	(3,334)	(2,495)
<b>Fair value of plan assets at end of period</b>	<b>95,434</b>	<b>91,958</b>



## St Helens College – Notes to the Accounts (continued)

### 26 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £431 (2023: £1,951). The cost represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2023: none).

The Sutton Academy – a secondary school St Helens College acts as sponsor for. Sales of services £4k (2023: £13k), Purchase of services £nil (2023: £nil). As at 31 July 2024 the balance owed by Sutton was nil (2023: £nil).

Waterside Training limited – an 89% owned subsidiary. Sales of services £231k (2023 £212k), Purchase of services £1,243k (2023: £1,010k). As at 31 July 2024 the net balance owed by Waterside was £240k (2023: owed by Waterside £257k).

### 27 Amounts disbursed as agent

	2024	2023
	£'000	£'000
Unspent balance at 1 August	340	585
Funding body grants – 16-18	810	709
Funding body grants – adults	726	586
	<u>1,876</u>	<u>1,880</u>
Disbursed to students	(1,325)	(1,450)
Clawback of prior year unspent funds	(8)	(25)
Administration costs	(76)	(65)
Balance unspent as at 31 July, included in creditors	<u>467</u>	<u>340</u>

Funding body grants are available solely for students. Where the College only acts as a paying agent, the grants and related disbursements are excluded from the Statement of Comprehensive Income.

## **Independent Reporting Accountant's Assurance Report on Regularity to the Corporation of St Helens College and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)**

### **Conclusion**

We have carried out an engagement, in accordance with the terms of our engagement letter dated 12 August 2024 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by St Helens College during the period 1 August 2023 to 31 July 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2023 to 31 July 2024 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Basis for conclusion**

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.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management.

### **Responsibilities of Corporation of St Helens College for regularity**

The Corporation of St Helens College is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & 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. The Corporation of St Helens College is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

### **Reporting accountant's responsibilities for reporting on regularity**

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.

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 the procedures performed vary in nature and timing from and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement 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.

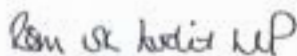
We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high-level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

#### **Use of our report**

This report is made solely to the Corporation of St Helens College and the Secretary of State for Education acting through 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 St Helens College and the Secretary of State for Education acting through the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of St Helens College and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.



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17/12/24