

Charity Registration No. 1154976

Company Registration No. 08762956 (England and Wales)

**CITY COLLEGE PETERBOROUGH FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

CITY COLLEGE PETERBOROUGH FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	P Carrington T Hennessy C Higgins L Hull J Procter
Charity number	1154976
Company number	08762956
Registered office	City College Peterborough Brook Street Peterborough United Kingdom PE1 1TU
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP
Bankers	CAF Bank Limited PO Box 289 West Malling Kent United Kingdom ME19 4TA

CITY COLLEGE PETERBOROUGH FOUNDATION

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CITY COLLEGE PETERBOROUGH FOUNDATION

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2021

The directors present their report and financial statements for the period ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's purposes as set out in the objects contained in the company's memorandum of association are to:

- 1) to advance education;
- 2) to advance health;
- 3) to relieve unemployment
- 4) to relieve poverty;
- 5) to promote for the benefit of the public the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants;
- 6) the promotion of community participation in healthy recreation in particular by the provision of facilities for the playing of sports and related activities;
- 7) to promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.

'Socially excluded' means being excluded from society, or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender re-assignment; poor educational or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards); crime (either as a victim of crime or as an offender rehabilitating into society).

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The directors considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

The directors has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

CITY COLLEGE PETERBOROUGH FOUNDATION

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Articles of Association.

The directors who served during the period and up to the date of signature of the financial statements were:

P Carrington

T Hennessy

C Higgins

L Hull

K Jones

(Resigned 22 February 2021)

J Procter

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

History and activity

The charity was set up in 2014 and remained inactive until April 2016 when funds were transferred from City College Peterborough 'Activities and Amenities' account, an historic account built up from non-funded College activities.

In August 2015 City College Peterborough took over the management of the Peterborough Day Opportunities Service providing day and employment support to adults under 65 with a disability.

Part of the development plan for Day Opportunities is to grow exciting and new supported micro enterprises into self sustaining social enterprises which will be managed through the charity. People supported in Day Opportunities, their parents, carers and staff had, prior to becoming part of City College Peterborough, raised funds at Kingfisher Centre, one of the day centres, to purchase specialised equipment for people with multiple and complex needs. These funds have been transferred into the charity and are treated as restricted funds.

The charity does not currently have any employees in its service.

September 2020 saw the incorporation of a wholly owned trading subsidiary named City Culture Peterborough Ltd which was created in order for the charity to take on responsibility for running cultural, heritage and library services on behalf of Peterborough City Council. City Culture Peterborough Limited assumed this responsibility from the 1st of October and now undertakes the operational management of 10 libraries, archives, the Peterborough Museum and Art Gallery, Flag Fen Archaeology Park, and the Key Theatre within Peterborough.

City Culture Peterborough is a separate company limited by shares where the charity is the sole shareholder.

The 3 directors of the company are also trustees of the charity and the charity has consolidated the accounts of City Culture Peterborough Limited in this reporting period.

CITY COLLEGE PETERBOROUGH FOUNDATION

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

Auditor

Azets Audit Services were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

The directors' report was approved by the Board of Directors.

P Carrington

Director

Dated: 1 December 2021

CITY COLLEGE PETERBOROUGH FOUNDATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2021

The directors, who also act as trustees for the charitable activities of City College Peterborough Foundation, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CITY COLLEGE PETERBOROUGH FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF CITY COLLEGE PETERBOROUGH FOUNDATION

Opinion

We have audited the financial statements of City College Peterborough Foundation (the 'charity') and its subsidiary for the period ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent Charitable Company affairs as at 31 March 2021 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Parent Charitable Company 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 directors' 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 charity'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 directors with respect to going concern are described in the relevant sections of this report.

Other matter - going concern of the subsidiary company

We draw your attention to Note 1.3 in the financial statements, which indicates that the subsidiary company is dependent on income support from Peterborough City Council, to enable it to continue operating and to meet its liabilities as they fall due.

As stated in Note 1.3, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CITY COLLEGE PETERBOROUGH FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF CITY COLLEGE PETERBOROUGH FOUNDATION

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the directors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charity'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CITY COLLEGE PETERBOROUGH FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF CITY COLLEGE PETERBOROUGH FOUNDATION

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

9 December 2021

**Chartered Accountants
Statutory Auditor**

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

CITY COLLEGE PETERBOROUGH FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF CITY COLLEGE PETERBOROUGH FOUNDATION

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CITY COLLEGE PETERBOROUGH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 MARCH 2021

Current financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
Income from:						
Donations and legacies	3	674	-	-	674	4,815,218
Charitable activities	4	133,563	-	-	133,563	71,755
Other trading activities	5	1,380,705	-	-	1,380,705	-
Total income and endowments		1,514,942	-	-	1,514,942	4,886,973
Expenditure on:						
Raising funds	6	1,370,550	-	-	1,370,550	-
Charitable activities	7	75,896	-	51,467	127,363	118,533
Total resources expended		1,446,446	-	51,467	1,497,913	118,533
Net movement in funds		68,496	-	(51,467)	17,029	4,768,440
Fund balances at 1 August 2020		192,348	4,798	4,582,800	4,779,946	11,506
Fund balances at 31 March 2021		260,844	4,798	4,531,333	4,796,975	4,779,946

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

CITY COLLEGE PETERBOROUGH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
	Notes				
Income from:					
Donations and legacies	3	152,218	3,000	4,660,000	4,815,218
Charitable activities	4	71,755	-	-	71,755
Total income and endowments		223,973	3,000	4,660,000	4,886,973
Expenditure on:					
Charitable activities	7	38,333	3,000	77,200	118,533
Total resources expended		38,333	3,000	77,200	118,533
Net movement in funds		185,640	-	4,582,800	4,768,440
Fund balances at 1 August 2019		6,708	4,798	-	11,506
Fund balances at 31 July 2020		192,348	4,798	4,582,800	4,779,946

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

CITY COLLEGE PETERBOROUGH FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2021

	All income funds Period ended 31 March 2021 £	Year ended 31 July 2020 £
Gross income	1,514,942	226,973
Total expenditure from income funds	1,446,446	41,333
Net income for the period	68,496	185,640

CITY COLLEGE PETERBOROUGH FOUNDATION

BALANCE SHEETS

AS AT 31 MARCH 2021

	Notes	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed assets					
Tangible assets	12	4,543,870	4,531,333	4,582,800	4,582,800
Investments	13	-	100	-	-
		<u>4,543,870</u>	<u>4,531,433</u>	<u>4,582,800</u>	<u>4,582,800</u>
Current assets					
Debtors	15	204,353	93,387	30,786	30,786
Cash at bank and in hand		379,575	188,225	190,923	190,923
		<u>583,928</u>	<u>281,612</u>	<u>221,709</u>	<u>221,709</u>
Creditors: amounts falling due within one year	16	(300,255)	(26,225)	(24,563)	(24,563)
Net current assets		<u>283,673</u>	<u>255,387</u>	<u>197,146</u>	<u>197,146</u>
Total assets less current liabilities		<u>4,827,543</u>	<u>4,786,820</u>	<u>4,779,946</u>	<u>4,779,946</u>
Provisions for liabilities	17	(2,382)	-	-	-
Net assets		<u>4,825,161</u>	<u>4,786,820</u>	<u>4,779,946</u>	<u>4,779,946</u>
Capital funds					
Endowment funds - general	19	4,531,333	4,531,333	4,582,800	4,582,800
Income funds					
Restricted funds	20	4,798	4,798	4,798	4,798
General unrestricted funds		260,844	250,589	192,348	192,348
		<u>4,796,975</u>	<u>4,786,820</u>	<u>4,779,946</u>	<u>4,779,946</u>

CITY COLLEGE PETERBOROUGH FOUNDATION

BALANCE SHEETS (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 1 December 2021 and are signed on its behalf by:

P Carrington

Trustee

Company Registration No. 08762956

CITY COLLEGE PETERBOROUGH FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	24		205,368		4,839,417
Investing activities					
Purchase of tangible fixed assets		(16,716)		(4,660,000)	
Net cash used in investing activities			(16,716)		(4,660,000)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			188,652		179,417
Cash and cash equivalents at beginning of period			190,923		11,506
Cash and cash equivalents at end of period			379,575		190,923

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

Charity information

City College Peterborough Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is City College Peterborough, Brook Street, Peterborough, PE1 1TU, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Group financial statements

The financial statements consolidate the results of the charitable company and its subsidiary undertaking City Culture Peterborough Limited on a line by line basis. Intra-group sales and profits are eliminated fully on consolidation. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements, including the anticipated impact of COVID-19. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

In respect of the subsidiary company only:

The concept of going concern assumes that a company's functions and services will continue in operational existence for the foreseeable future. This subsidiary company is heavily reliant on income support from Peterborough City Council to undertake and deliver services that are essential to the local community. This support is expected to continue for the foreseeable future to enable it to continue to operate and to meet its liabilities as they fall due.

However, material uncertainties associated with continuing the current level of service provision in the next 12 months and beyond exist, as Peterborough City Council and its partners are reviewing the current cultural strategy.

The directors have prepared the financial statements on a going concern basis as the subsidiary company does not intend to either liquidate or to cease trading completely.

The financial statements do not contain the adjustments that would result if the subsidiary company was unable to continue as a going concern.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% p.a. straight line
Computers	25% p.a. straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of property

The property that was donated in the prior year has been included at a valuation calculated by Barker Storey Matthews, an independent valuer.

3 Donations and legacies

	Unrestricted funds	Total	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
Donations and gifts	674	674	2,218	-	4,660,000	4,662,218
Grants receivable	-	-	150,000	3,000	-	153,000
	<u>674</u>	<u>674</u>	<u>152,218</u>	<u>3,000</u>	<u>4,660,000</u>	<u>4,815,218</u>
Grants receivable for core activities						
Peterborough City Council	-	-	150,000	-	-	150,000
Peterborough Council for Voluntary Service (PCVS)	-	-	-	3,000	-	3,000
	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>3,000</u>	<u>-</u>	<u>153,000</u>

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

4 Charitable activities

	2021 £	2020 £
Charitable rental income	133,563	71,755

5 Other trading activities

	Unrestricted funds	Total
	2021 £	2020 £
Commercial operations in trading subsidiary	1,380,705	-

6 Raising funds

	Unrestricted funds	Total
	2021 £	2020 £
<u>Trading costs</u>		
Commercial operations in trading subsidiary	1,370,550	-
	1,370,550	-

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

7 Charitable activities

	2021 £	2020 £
Depreciation	51,467	77,200
Charitable expenditure	-	3,000
	<u>51,467</u>	<u>80,200</u>
Share of support costs (see note 8)	70,220	33,136
Share of governance costs (see note 8)	5,676	5,197
	<u>127,363</u>	<u>118,533</u>
Analysis by fund		
Unrestricted funds	75,896	38,333
Restricted funds	-	3,000
Endowment funds - general	51,467	77,200
	<u>127,363</u>	<u>118,533</u>

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
NNDR	19,050	-	19,050	12,948	-	12,948
Insurance	3,931	-	3,931	2,930	-	2,930
Bank charges	49	-	49	60	-	60
Subscriptions	264	-	264	188	-	188
Service charges	45,360	-	45,360	17,010	-	17,010
Maintenance	1,566	-	1,566	-	-	-
Audit fees	-	4,000	4,000	-	2,000	2,000
Legal and professional	-	1,676	1,676	-	3,197	3,197
	<u>70,220</u>	<u>5,676</u>	<u>75,896</u>	<u>33,136</u>	<u>5,197</u>	<u>38,333</u>
Analysed between						
Charitable activities	70,220	5,676	75,896	33,136	5,197	38,333

Governance costs includes payments to the auditors of £4,000 (2020 - £2,000) for audit fees.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

9 Employees

The average monthly number of employees during the period was:

	2021 Number	2020 Number
City College Peterborough Foundation	-	-
City Culture Peterborough Limited	138	-
	<u>138</u>	<u>-</u>

Employment costs	2021 Charity £	2021 Subsidiary £	2021 Group £	2020 Group £
Wages and salaries	-	759,406	759,406	-
Social security costs	-	45,773	45,773	-
Other pension costs	-	88,415	88,415	-
	<u>-</u>	<u>893,594</u>	<u>893,594</u>	<u>-</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the period.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

11 Commercial operations in trading subsidiary

The charity has one wholly owned trading subsidiary undertaking, City Culture Peterborough Limited which manages the theatre, arts, heritage, education, library and archive services for Peterborough City Council. The company was incorporated on 24 August 2020 and was dormant until 1 October 2020. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

City Culture Peterborough Limited Profit & Loss Account	2021 £	2020 £
Turnover	36,202	-
Cost of sales	(97,317)	-
Gross profit/(loss)	(61,115)	-
Administration expenses	(1,270,851)	-
Other operating income	1,344,503	-
Operating profit	12,537	-
Tax on profit	(2,382)	-
Profit on ordinary activities	10,155	-
	2021 £	2020 £
City Culture Peterborough Limited Balance Sheet		
Fixed assets	12,537	-
Current assets	306,035	-
Current liabilities	(305,935)	-
Net current assets	100	-
Provision for liabilities	(2,382)	-
Total net assets	10,255	-
Aggregate share capital and reserves	10,255	-

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

12 Tangible fixed assets

Group	Freehold land and buildings £	Computers £	Total £
Cost			
At 1 August 2020	4,660,000	-	4,660,000
Additions	-	16,716	16,716
At 31 March 2021	4,660,000	16,716	4,676,716
Depreciation and impairment			
At 1 August 2020	77,200	-	77,200
Depreciation charged in the period	51,467	4,179	55,646
At 31 March 2021	128,667	4,179	132,846
Carrying amount			
At 31 March 2021	4,531,333	12,537	4,543,870
At 31 July 2020	4,582,800	-	4,582,800
Charity			
Cost			
At 1 August 2020	4,660,000	-	4,660,000
At 31 March 2021	4,660,000	-	4,660,000
Depreciation and impairment			
At 1 August 2020	77,200	-	77,200
Depreciation charged in the period	51,467	-	51,467
At 31 March 2021	128,667	-	128,667
Carrying amount			
At 31 March 2021	4,531,333	-	4,531,333
At 31 July 2020	4,582,800	-	4,582,800

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

13 Fixed asset investments

Group	Investment in subsidiary
Cost or valuation	
Carrying amount	
At 31 March 2021	-
At 31 July 2020	-
Charity	Investment in subsidiary
Cost or valuation	
Additions	100
Carrying amount	
At 31 March 2021	100
At 31 July 2020	-

The investment represents a 100% shareholding in City Culture Peterborough Limited, a company incorporated in England and Wales.

For details of the principal activity and results for the year, see note 11.

14 Financial instruments	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Carrying amount of financial assets				
Trade debtors	112,381	76,700	-	-
Other debtors	31,115	7,963	2,436	2,436
Accrued income	-	-	28,350	28,350
Amounts due from subsidiary undertakings	-	3,719	-	-
Bank and cash	379,575	188,225	190,923	190,923
Measured at cost	523,071	276,607	221,709	221,709
Fixed asset investments	-	100	-	-
Measured at market value	-	100	-	-

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

				(Continued)	
14	Financial instruments	Group	Charity	Group	Charity
	Carrying amount of financial liabilities				
	Trade creditors	40,337	80,674	-	-
	Accruals and deferred income	183,199	26,225	24,563	24,563
	Other creditors	76,719	-	-	-
	Other taxation and social security	28,186	-	-	-
	Measured at cost	328,441	106,899	24,563	24,563
15	Debtors				
		2021	2021	2020	2020
		Group	Charity	Group	Charity
	Amounts falling due within one year:	£	£	£	£
	Trade debtors	112,381	76,700	-	-
	Amounts owed by subsidiary undertakings	-	3,719	-	-
	Other debtors	31,115	7,963	2,436	2,436
	Prepayments and accrued income	60,857	5,005	28,350	28,350
		204,353	93,387	30,786	30,786
16	Creditors: amounts falling due within one year				
		2021	2021	2020	2020
		Group	Charity	Group	Charity
		£	£	£	£
	Other taxation and social security	28,186	-	-	-
	Trade creditors	40,337	-	-	-
	Other creditors	76,719	-	-	-
	Accruals and deferred income	183,199	26,225	24,563	24,563
		328,441	26,225	24,563	24,563
17	Provisions for liabilities				
		2021	2021	2020	2020
		Group	Charity	Group	Charity
		£	£	£	£
	Deferred tax liabilities	2,382	2,382	-	-

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

18 Deferred taxation

Deferred tax assets and liabilities are offset where the charity has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Balances:				
Accelerated capital allowances	2,382	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Movements in the period:				2021 £
Liability at 1 August 2020				-
Charge to profit or loss				2,382
				<u> </u>
Liability at 31 March 2021				2,382
				<u> </u>

The deferred tax liability set out above relates to accelerated capital allowances.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2021

19 Endowment funds

Group and Charity

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 August 2019	Incoming resources	Movement in funds			Balance at 1 August 2020	Incoming resources	Movement in funds			Balance at 31 March 2021
			Resources expended	Transfers	Revaluations gains and losses			Resources expended	Transfers	Revaluations gains and losses	
Permanent endowments											
Property fund	-	4,660,000	(77,200)	-	-	4,582,800	-	(51,467)	-	-	4,531,333
	-	4,660,000	(77,200)	-	-	4,582,800	-	(51,467)	-	-	4,531,333

The property fund represents the net book value of the property that was donated by Peterborough City Council. Expenditure relates to depreciation to reduce the asset's useful economic life.

Income generated by this asset is recognised as unrestricted income.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

20 Restricted funds

Group and Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Balance at 1 August 2019 £	Incoming resources £	Resources expended £	Balance at 1 August 2020 £	Incoming resources £	Balance at 31 March 2021 £
Kingfisher Centre	3,788	-	-	3,788	-	3,788
Meet & Eat	1,010	-	-	1,010	-	1,010
PCVS grant	-	3,000	(3,000)	-	-	-
	<u>4,798</u>	<u>3,000</u>	<u>(3,000)</u>	<u>4,798</u>	<u>-</u>	<u>4,798</u>

Kingfisher Centre - this relates to funds raised in fundraising activities prior to Day Opportunities becoming part of City College Peterborough. The funds are for the purposes of purchasing specialist equipment for people we support at the Kingfisher Centre.

Meet & Eat - this relates to funds raised and expended for regular social dining events as part of the commUNITY Meet & Eat initiative.

PCVS grant - this is to support the work of the College in it's catering activity during lockdown.

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2021

21 Analysis of net assets between funds

Group	Unrestricted funds		Restricted funds		Endowment funds		Total		Unrestricted funds		Restricted funds		Endowment funds		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
Fund balances at 31 March 2021 are represented by:																
Tangible assets	12,537		-		4,531,333		4,543,870		-		-		4,582,800		4,582,800	
Current assets/(liabilities)	250,689		4,798		-		255,487		192,348		4,798		-		197,146	
Provisions	(2,382)		-		-		(2,382)		-		-		-		-	
	<u>260,844</u>		<u>4,798</u>		<u>4,531,333</u>		<u>4,796,975</u>		<u>192,348</u>		<u>4,798</u>		<u>4,582,800</u>		<u>4,779,946</u>	
Charity																
	Unrestricted funds		Restricted funds		Endowment funds		Total		Unrestricted funds		Restricted funds		Endowment funds		Total	
	2021		2021		2021		2021		2020		2020		2020		2020	
	£		£		£		£		£		£		£		£	
Fund balances at 31 March 2021 are represented by:																
Tangible assets	-		-		4,531,333		4,531,333		-		-		4,582,800		4,582,800	
Investments	100		-		-		100		-		-		-		-	
Current assets/(liabilities)	250,589		4,798		-		255,387		192,348		4,798		-		197,146	
	<u>250,689</u>		<u>4,798</u>		<u>4,531,333</u>		<u>4,786,820</u>		<u>192,348</u>		<u>4,798</u>		<u>4,582,800</u>		<u>4,779,946</u>	

CITY COLLEGE PETERBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2021

22 Related party transactions

During the period the charity recharged expenditure of £3,819 (2020 - £nil) to its subsidiary, City Culture Peterborough Limited. At the year end £3,719 (2020 - £nil) was due from City Culture Peterborough Limited.

23 Control

No one individual has overall control of the charitable company.

Peterborough City Council has significant influence over the activities of the subsidiary, City Culture Peterborough Limited. The Council has agreed to fund the trading deficits incurred by the company. During the period the City Culture Peterborough Limited received £1,001,877 for re-imbursement of costs incurred in excess of income received from third party trading. The going concern of the company is reliant upon this continued support.

24 Cash generated from operations	2021 £	2020 £
Surplus for the period	17,029	4,768,440
Adjustments for:		
Depreciation and impairment of tangible fixed assets	55,646	77,200
Movements in working capital:		
(Increase) in debtors	(173,567)	(30,786)
Increase in creditors	303,878	24,563
Increase in provisions	2,382	-
Cash generated from operations	205,368	4,839,417

25 Analysis of changes in net funds

The charity had no debt during the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.