



**Greenhead College
Members' Report and Financial Statements
2019-20**

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Reference and Administrative Details

Key Management Personnel, Corporation, Professional Advisors, Key Definitions

Key Management Personnel

Key Management Personnel are defined as members of the College Senior Leadership Team which consisted of the following in 2019/20:

Simon Lett	-	Principal; Accounting Officer
Mo Bunter	-	Deputy Principal
John Blake	-	Director of Finance and Resources
Usman Anwar	-	Assistant Principal Student Support and Welfare
Kate Abel	-	Assistant Principal Student Support and Welfare
Mark Mitchell	-	Assistant Principal Curriculum, Quality and Student Outcomes
Tom Rowley	-	Assistant Principal Curriculum, Quality and Student Outcomes

Corporation

A full list of Governors, the Committees served on, and positions held in 2019-20 is provided at pages 21-23. Hilary Thomson was Clerk to the Corporation until December 2019 and was succeeded by Ian Leedham.

Professional Advisors

Financial Statements Auditors and Reporting Accountants: Murray Smith LLP, Chartered Accountants, Darland House, 44 Winnington Hill, Northwich, Cheshire.

Internal Auditors: Audit One, Crosskill House, Mill Lane, Beverley.

Bankers: Barclays Bank, Market Place, Huddersfield.

Solicitors: Schofield Sweeney, 72 New Road, Huddersfield.

Key Definitions

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of governing Greenhead College. It comprises a Board of Governors (the Governing Board or Governing Body) and a Clerk.

Strategic Report

Objectives and Strategy

The Governors of the Corporation present their report and audited financial statements for the year ending 31 July 2020. Their key objective for the Governors was to offer to local students from the surrounding area high quality academic A level studies.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of governing Greenhead College. The College is an exempt charity under Part 3 of the Charities Act 2011.

Greenhead College was established as a Sixth Form College in 1974 and as such is subject to financial supervision by the Education and Skills Funding Agency (ESFA).

Mission and Strategy

The College's mission, as approved by the Corporation, is:

- To provide a safe, supportive and inclusive environment in which individuals feel valued, and where students can grow in confidence and fulfil their potential for academic, moral, social and physical development
- To continue to be a centre of excellence in everything it does, providing education, training and pastoral care of outstanding quality for individual students
- To be a major force in enabling individual students to reach and exceed nationally set learning targets through the offer of a curriculum concentrating on A Levels
- To prepare every student for life beyond Greenhead College – both university and the world of work – through the provision of outstanding enrichment activities, careers guidance and opportunities to develop employability skills.

Greenhead College aims 2019-2022

In order to fulfil its mission for the period 2019-22, the College aims:

- To be the lead provider in the region for student outcomes at A Level and one of the top-performing Sixth Form Colleges in the country;
- To deliver high quality teaching, extracurricular activities and pastoral support for students, enabling them to progress to positive destinations;
- To invest in the development and wellbeing of students and staff;
- To improve teaching accommodation in particular areas of the campus, and increase social space of students, so as to achieve planned growth of 150

students in the period 2019-22;

- To be financially stable in the period 2019-22 and to plan for future financial sustainability beyond 2022;
- To enhance its profile locally and nationally by engaging further with key stakeholders and partners.

The key planning assumptions underpinning its current Strategic Plan centre on the following five themes:

- **Quality of education:** the need to continue delivering high-quality study programmes which give young people the opportunity to attain outstanding results in A Level (or equivalent) subjects, develop lifelong skills through enriching extracurricular activities, and develop employability skills which help them progress to positive destinations;
- **Support for students and staff:** the importance of promoting positive mental health to students; recognising the wellbeing of staff as being key to a thriving workforce; promoting safeguarding, Prevent and British values in the context of the increased risk in West Yorkshire of a terrorist-related incident;
- **Accommodation and resources:** the requirement to improve teaching accommodation and social space in areas of the campus to enable sustainable growth in student numbers;
- **Recruitment of students:** the increasing number of local students seeking to enrol at the College, combined with the expected growth in the post-16 population over the next ten years, offers opportunities to expand student numbers, recognising that there is increasing competition from neighbouring sixth forms and colleges;
- **Funding:** the necessity to develop alternative income streams to supplement core funding; to identify capital investment to grow student numbers further in response to the inadequacy of the present funding rate; and to plan for further staff restructuring in readiness for 2021-22, should there be no significant increase, or reduction, in core funding, or insufficient additional funding to support increased pension costs.

Strategy for meeting these aims

The delivery of the Strategic Plan translates into specific structures, policies, and operating and development plans, each having clear levels of accountability.

These include:

- Corporation structure and committees;
- Senior post-holder and Senior Leadership Team targets;

- Key Performance Indicators;
- Organisational structure;
- College Self-Assessment Report;
- College Quality Improvement Plan;
- Departmental Self-assessment Reports and Quality Improvement Plans;
- Admissions policy;
- Staffing plan;
- Financial plan;
- Accommodation plan;
- School liaison plan;
- Marketing plan;
- Teaching, Learning and Assessment policy, including strategies for lesson observation;
- Individual College policies.

The following key 'checkpoints' ensure the goals as set out in the Strategic Plan are fulfilled as planned:

- Annual setting, monitoring and review of curriculum and academic KPIs (by the Corporation);
- Annual setting, monitoring and review of senior post-holder and Senior Leadership Team performance management targets (by the Chair and other Governors, and SLT);
- Annual setting of staff performance management targets (by College managers);
- Senior Leadership Team's Report – review of KPIs (reviewed six times a year by the Corporation);
- Review of Strategic Plan (reviewed three times a year by the Corporation)
- Validation of SAR and QUIP (annually each December by the Corporation and external 'critical friend');
- Mid-year review of QUIP (annually each February by the Corporation)
- Governor Link Visits and reports.

Development and performance of the College through the year

2019-20 started with the enactment of the staffing restructure which was announced the previous year, namely the implementation of a 4.5 block curriculum structure. This went smoothly.

However, 2019-20 proved to be an immensely challenging year for the College. Following the national lockdown in March 2020 arising from the COVID-19

pandemic, A-Level examinations were cancelled and students awarded internally-derived Centre Assessed Grades, later standardised by Ofqual into Calculated Grades. Four days after results day, Calculated Grades were abandoned and students received their original Centre Assessed Grades. Additionally, formal teaching and assessment of second year students came to an end in March 2020. First-year students continued to be taught by online/remote means.

This had an impact on the achievement of a number of Key Performance Indicators, in the sense that the College did not achieve these in the conventional sense through formal examinations. It also meant that many staff had to rapidly upskill their IT expertise to be able to offer remote learning to students.

Two points are therefore critical for the forthcoming year and future years: i) the need for teaching teams to ensure there is a body of reliable evidence based on assessments carried out in the course of the year which could be used should the College be once again required to develop Centre Assessed Grades and ii) the need to develop a strategy for the incorporation of IT in the curriculum in future years.

In addition to the above, a key theme of the year was the work which took place with FE Commissioners who visited the College in November 2019 and July 2020. The visit was instigated on the advice of the ESFA following the College's financial position pre the staffing restructure. Their initial visit in November 2019 resulted in a number of recommendations which the College acted upon throughout the year, summarised below.

Governors and senior leaders need to review the mission and vision for the College as a part of the strategic planning process that will determine the scope of necessary future investment. This should aim to secure the long-term financial viability and maintain the high-quality curriculum performance of the College.

Before moving to developing a master plan for the Greenhead site, the College should put in place a comprehensive estates strategy which would include a:

- Planned maintenance programme
- Space utilisation survey
- Calculation of future space needs compared to current
- Generation of options for consideration.
- The College needs to move towards a balanced sustainable budget for 2021 that will allow for investment in the College infrastructure, support services and achieve a pay percentage ratio closer to the 70% benchmark.
- Governors should assure themselves that the College has the appropriate finance staff to support the Director of Finance and Resources to satisfy their fiduciary duty.
- The College should investigate and resolve the problems with the ESFA cash-

flow to assure itself that its cash-flow is correct.

- A fully costed curriculum plan that links to the staffing establishment and accurately includes direct non-pay costs should be established urgently. This will enable regular consideration of course and departmental contribution to central and will support the efficiency drive.
- Management accounts and commentary needs to be improved to make them more readily understood by non-finance readers. There is an AoC model which is good practice.

College MIS needs urgent development including the design and use of a College dashboard for financial, human resource and curriculum key performance indicators.

Consideration should be given to devolving further budget responsibility and associated targets to Assistant Principals and Heads of Department. This will encourage accountability and responsibility and an understanding of the importance of a sustainable curriculum model that produces the necessary contribution to central. This will require a development programme for managers.

Reports to Governors need to include executive summaries and clear narrative that outline performance accurately and identify areas of concern and management recommendations for Governors to test and challenge.

Governors should undertake an annual self-assessment of their effectiveness and produce a development plan for Governors and governance.

In their return visit in July 2020, the FE Commissioners endorsed the College's approach and acknowledged that substantial progress had been made against each of these recommendations. They also commended the College for its approach to remote learning in lockdown. As a result, the FE Commissioners signalled to the College that there would be no need for them to undertake any further follow-up visits.

The main observations raised by the FE Commissioners fed into the other central theme of the year, this being the development of a strategic outline case by the College for the replacement of its 1960s science block. This saw AA Projects being commissioned to produce a wider estates plan for the College; in addition, from May 2020 the Department for Education began working with the College to develop an options appraisal for removal of its outdated Laingspan buildings. This may indeed provide the College with a wider set of options to consider beyond the ones developed by AA Projects.

Resources

Greenhead College is located on a single site in close proximity to Huddersfield town centre and has various resources it can deploy in pursuit of its strategic objectives.

At 31 July 2020, the College employed 257 staff, of which 142 were teaching and 115 support staff.

On the 2019 Day 42 census, the College had 2,511 students enrolled and will be funded for this number in 2020-21. Sixth Form funding has increased for 2020-21 so that each student will be funded at £4,188. Additional funding has been awarded for High Costs courses and High Value courses (STEM subjects). The additional funding for 2020-21 amounts to £1.395m.

The College has a £1.51m deficit of net assets as a result of an increase in Pension Liabilities.

The College has an excellent reputation both locally and nationally. Maintaining a quality brand is essential for the College's success in attracting students and external relationships. The College's most recent Ofsted inspection in November 2007 resulted in an 'Outstanding' judgment. In 2014/15 the College was the Sunday Times Sixth Form College of the Year. In 2018, the College was shortlisted for the SFCA Governance and TES Sixth Form College of the Year awards. In 2018 and again in 2019, the College produced the British Education Awards Student of the Year (A Level category, Zone 1).

Stakeholders

In line with other Colleges, and with universities, Greenhead College has many stakeholders. These include:

- Students and their families
- Staff and Governors
- ESFA
- Partner schools
- Collaborative Learning Partnership with Huddersfield New College and Kirklees College
- Kirklees Local Authority
- The local community
- Government offices/regional development agencies
- Other HE and FE institutions
- Professional bodies and local trade unions.

The College recognises the importance of these relationships and to maintain regular communications with them by various means.

DEVELOPMENT AND PERFORMANCE

Financial Results

The College set a budget for 2019-20 to achieve a surplus of £340k and to increase cash holdings by £100k in order to improve the College's cash contingency reserve. The College generated a surplus (before LGPS pension costs) of £275k against a total income of £11.1m (2018/19: deficit of £205k before pension and restructuring costs against total income of £10.49m). Including FRS17 and pension finance costs and restructuring costs, there was an operating deficit of £128k (2018-19: £774k deficit).

One of the College's loans was renegotiated at its five year break with monthly repayments remaining at the same level.

The College's cash contingency reserve is the equivalent of one month's staff salaries. This figure is agreed and regularly reviewed by the Corporation. At the year end the College's cash holding was £648k, equivalent to 95% of the amount of monthly staff salaries.

The College had a £19k surplus of net current assets (2018/19 £423k deficit).

The Local Government Pension Scheme deficit rose by £2.650m during the financial year from £3.693m up to £6.343m. College contributions to the fund will increase in 2021 from 17.4% to 20.3% and then increase in small increments for the following two years. Employee contributions will rise also. The increased deficit follows the 2019 three year valuation which has taken investment performance, member profile and the Sargeant McCloud legal case into consideration and is in line with increases in liabilities seen by the external auditors in other Sixth Form Colleges.

The improved financial performance will result in an ESFA Financial Health Assessment of Good for 2019/20.

Covid 19 Impact

The College closed its doors for nearly three months between mid-March and the start of June. When the College reopened it was decided not to re-open the catering facilities and to furlough the catering staff for three months. Although this saved the college £21k, £60k was lost in net revenues over this period. In addition, costs directly related to Covid 19 e.g. PPE, cleaning materials and remote teaching aids cost the college £34k. A one-off grant from Kirklees Council for £10k was received.

Reserves

The College has accumulated general reserves of £4.83m excluding pension liabilities of £6.34m (2018-19: £4.56m excluding pension liabilities of £3.69m) and a cash balance of £648k (2018-19 £545k). The College will continue to accumulate reserves and cash balances in order to create a contingency fund and improve the fabric of the College.

Sources of Income

In 2019-20 the College was funded for 2,454 students and received ESFA core funding of £10.1m (2018-19: £9.67m). The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2019/20, ESFA provided 96.9% of the College's total income (2018/19: 96%).

FUTURE PROSPECTS

ESFA core funding for the College in 2020/21 has been confirmed at £12.14m. The increase in funding from 2019-20 is as a result of additional funding for High Value and High Cost courses and funding for each additional Maths qualifications taken by students. It is estimated that the College will have £2m in cash reserves by the end of the 2020-21 financial year which in part will be put towards Capital Developments within College.

Although funding has not been announced beyond 2020-21, at current funding levels the College is currently forecasting a surplus over the next two years and a return to Outstanding financial health.

Treasury Policies and Objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College's Treasury Management policy is set out within its Finance Manual.

All borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Funding Agreement with ESFA.

Cash Flows and liquidity

During 2019-20 there was an increase in cash of £103k.

The College has a cash reserves policy which specifies that reserves should be maintained at a minimum level to be sufficient to pay one month's staff salaries. For 2019/20 this requirement was not met.

The College seeks to build up reserves in order to improve the College site and facilities when appropriate.

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. At the time of the audit, a loan of £844,943 had been closed and placed to the current account resulting in an overdrawn position. This action was taken by Barclays whilst the loan was renegotiated under the terms of a five year break in the terms and conditions detailed in the original loan. The loan will have been set back up and the amount re-credited to the current account before the annual accounts were signed. Overdraft charges will be credited back to the current account.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has firmly established systems of internal control, including financial, operational and risk management, which are designed to protect the College's assets and reputation.

Based on the strategic plan, a comprehensive annual review and regular interim reviews of the risks to which the College is exposed are undertaken. This review identifies systems and procedures, including specific preventable actions which mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

A risk register is maintained at College level and is reviewed regularly by the Senior Leadership Team, at each meeting of the Audit and Risk Committee and subsequently by the full Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College, and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The main risks for the College during 2019-20 were as follows.

1. Covid 19

This was made a main risk just before the College closed due to the lockdown. A separate Covid Risk register was created and is constantly updated. A return to work risk assessment was also created for June and September. The resultant effects on student progress and exam success was made a separate risk. Measures put in place to combat this risk were remote learning, improved technology introduced to assist with live lesson streaming and increased help sessions.

2. Competition

The College is finding that competition is growing from other FE colleges as well as school sixth forms. The SLT is continually looking at alternative courses that would attract students yet still fit comfortably alongside the existing provision. A marketing team work with schools to attract new students although in 2020-21 this work has to be carried out remotely due to Covid 19.

3. Retention of Ofsted Outstanding grade

The College was inspected 13 years ago and since then there have been a number of Inspection frameworks. The College ensures that current documentation is up to date and that the college works towards the latest framework. The College ensures that good Safeguarding measures are in place in order to satisfy current requirements.

These risks are mitigated in a number of ways:

- by ensuring the College is rigorous in delivering high quality education and training
- by regular dialogue with the regional ESFA, the local authority and colleges who have undergone a recent inspection
- by regular staff training and review together with attendance on courses to keep abreast of current initiatives
- by continually looking at ways in which to develop the College site in order to improve the available accommodation
- by reading recent college inspection reports and talking to those involved with the current framework
- by ensuring that potential students in the area are aware of what the College offers
- by ensuring that self-assessment and quality systems are robust and reflect best practice
- by undertaking 'health checks' which gauge the College's effectiveness for future Ofsted inspections.

4. Teaching and Learning not supported by adequate I.T. facilities

In the current climate it is imperative that students continue to receive high quality lessons and support from their teachers and tutors. The College has invested in high quality cameras for classrooms in order to live stream lessons to students not in college due to Covid restrictions. Recording of lessons and help sessions will help to keep teaching momentum going. The College Moodle system has also been updated to assist with teaching and learning resources.

Delivery against Key Performance Indicators

The College set a number of KPIs for academic performance in 2019-20. These are set out below with the outcome of each KPI in the right-hand column:

WHOLE COLLEGE:	KPI 2019-20	'ACTUAL' 2019-20
Pass rate % (NBM: 97.5%)*	Between 99.0 – 99.5	'99.8%'
High grades % (NBM: 51.1%)*	Between 63.5 – 64.5	'70.8%'
Retained and Assessed rate % (NBM n/a)*	Between 95.0 – 95.5	'94.7%'
Retention rate %~ (NBM: 92.5%)*	Between 95.0 – 95.5	'94.7%'
Attendance %	Between 94.5 - 95.0	'94.4%'
Value Added grade	Score between 0.98 – 1.01 (i.e. Grade 3-2) (inc. Grade 2 for 3-year T-score)	'Score of 1.67' (Grade 1) (+ 'Grade 3' for 3-year T-score)
Student satisfaction %	Between 92.5 - 93.5 T&L Between 90.0 – 92.0 student satisfaction	'93.0' T&L '90.2' student satisfaction
Staff absence %	Support – <4.0 Teaching – <2.0 Overall – <3.0	Support – '3.65' Teaching – '1.44' Overall – '2.23'
Number of formal complaints	Less than 2	'0'

KPIs for 2019-20 – 'actual' performance

Pass rate

This is recorded as **'99.8%'**, this being the percentage of students who achieved grades A*-E in their Centre Assessed Grades. The pass rate is very impressive but not indicative of students' performance in actual formal examinations.

High grades

This is recorded as **'70.8%'**, this being the percentage of students who achieved grades A*-B in their Centre Assessed Grades. Again, this is a hugely impressive figure but not representative of students' actual exam performance.

Retained and Assessed rate

This is a measure which was developed in 2017-18. In previous years this was the old Success Rate and these are the figures shown on the Retained and Assessed row in the table above for the years 2016-17 and 2015-16. However, there is still no national benchmark figure currently available for the Retained and Assessed rate. Our recorded figure of **'94.7%'** is the same as the Retention rate, below, because prior to lockdown every student was entered for at least one examination.

Retention rate

This is based on us having retained 1207 second-year students from an initial figure of 1275 funded students on day 42 of their course, i.e. **'94.7%'**. However, given there were no classes from March 2020 onwards, it's difficult to gauge whether this figure would have decreased further in 'normal circumstances'.

Attendance

The final recorded figure is **'94.4%'**. However, no formal attendance reporting took place after March 2020 and it's therefore difficult to estimate whether the final figure would have been significantly lower had classes continued as planned. During lockdown, there was monitoring of A1 students' take-up of remote learning materials. From week commencing 15 June 2020, daily attendance figures were sent to the DfE.

Value added grade

This is recorded as **'1.67/grade 1'** for the Quality Indicator score/grade and **'grade 3'** for the three-year score, and is based on students' performance in their Centre Assessed Grades. Like the pass rate and the high grades this is an outstanding outcome, although we cannot claim these figures have been achieved through conventional means, i.e. by students having sat formal examinations.

Student satisfaction

This is recorded as **'93.0%'** for teaching and learning. However, as this survey was administered in lockdown, there was a much smaller sample size in a number of departments than expected. Similarly, the figure recorded for student satisfaction is **'90.2%'**, based on a sample size of 800 (approximately) students. Had the College remained open, it is likely we would have obtained a better participation rate, which may have impacted on the overall figure.

Staff absence

This is recorded as '3.65%' for support staff, '1.44%' for teaching staff, with an overall figure of '2.23%'. Whilst these are all below the KPI, the figures were calculated up until the point lockdown occurred. During the College closure period, we had no reports of short-term sickness absence from staff. This means that whilst we asked staff to continue reporting absence as normal, we had no meaningful sickness absence statistic to report. We received no reports of any staff having a confirmed case of COVID-19. One member of staff reported symptoms but was tested and received a negative result.

Formal complaints

No formal complaints were received all year. Had the College remained fully open beyond March 2020, it is questionable whether this figure may have changed.

Financial Indicators

Financial Indicator	Target for 2019-20	Actual for 2019-20
Teaching staff costs a %age of total staff costs	76%	76%
Payroll costs as a %age of total income	76%	73.8%
Non-ESFA income as a %age of total income	3.8%	3%
ESFA Financial Health	Good	Good
Cash in hand days	35	22
End of year surplus (excluding LGPS costs)	340k	277k

Student Numbers 2019 – 2020

Detailed below are the student recruitment numbers for the academic year 2019 – 2020.

	Applications			Number offered a place			Number accepting a place			Number arriving in September			% of those applying arriving			% of those applying qualifying for funding			% of those offered a place arriving		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Partner Schools	982	857	846	890	764	721	809	702	661	559	471	478	57%	55%	57%	0%	55%	56%	69%	67%	72%
	31%	27%	29%	42%	38%	39%	43%	40%	40%	41%	36%	37%									
Non-Partner Schools	2212	2348	2054	1208	1232	1144	1065	1057	989	803	826	803	36%	35%	39%	0%	34%	38%	75%	78%	81%
	69%	73%	71%	58%	62%	61%	57%	60%	60%	59%	64%	63%									
Total	3194	3205	2900	2098	1996	1865	1874	1759	1650	1362	1297	1281	43%	40%	44%	0%	40%	44%	73%	74%	78%

Student Achievement 2019 – 2020

Detailed below are the student outcomes for 2019-20 for each subject (these are Centre Assessed Grades as opposed to examination results). Overall College examination results have been provided for the previous three years.

Subject	Entries	Pass %	High Grades %	A - C %
Art and Design (A Level)	91	100.0%	90.1%	96.7%
Biology (A Level)	420	100.0%	63.6%	86.0%
Business (A Level)	151	100.0%	74.2%	94.0%
Chemistry (A Level)	435	100.0%	65.7%	85.7%
Computer Science (A Level)	45	100.0%	57.8%	86.7%
Drama and Theatre (A Level)	16	100.0%	81.3%	93.8%
Economics (A Level)	179	99.4%	70.9%	91.1%
English Language (A Level)	93	100.0%	83.9%	98.9%
English Language and Literature (A Level)	36	100.0%	91.7%	100.0%
English Literature (A Level)	137	100.0%	79.6%	96.4%
Film Studies (A Level)	24	100.0%	91.7%	100.0%
French (A Level)	34	100.0%	76.5%	94.1%
Further Mathematics (A Level)	77	100.0%	88.3%	96.1%
Geography (A Level)	116	100.0%	69.8%	94.8%
Geology (A Level)	24	100.0%	62.5%	87.5%
German (A Level)	13	100.0%	84.6%	100.0%
History (Medieval) (A Level)	43	100.0%	72.1%	93.0%
History (Modern) (A Level)	176	100.0%	76.7%	92.6%
Law (A Level)	104	99.0%	58.7%	88.5%
Mathematics (A Level)	519	99.4%	69.7%	85.0%
Music (A Level)	19	100.0%	68.4%	94.7%
Music Technology (A Level)	22	100.0%	72.7%	90.9%
Physical Education (A Level)	46	100.0%	78.3%	97.8%
Physics (A Level)	197	99.5%	67.0%	83.8%
Politics (A Level)	68	98.5%	69.1%	89.7%
Psychology (A Level)	296	100.0%	65.9%	88.5%
Religious Studies (A Level)	70	100.0%	65.7%	95.7%
Sociology (A Level)	121	100.0%	79.3%	96.7%
Spanish (A Level)	53	100.0%	77.4%	96.2%
Statistics (A Level)	1	100.0%	100.0%	100.0%
Total	3626	99.8%	70.8%	89.9%
2019		98.9%	62.6%	84.3%
2018		98.5%	64.1%	83.5%
2017		99.4%	63.5%	85.0%

OTHER INFORMATION

Public Benefits

Greenhead College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed later in this Report.

In setting and reviewing the College'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 the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Excellent results and value adds for students from all backgrounds
- Widening participation and tackling social exclusion
- Excellent higher education and employment opportunities for students
- Strong student support systems
- Links with employers, industry and commerce
- Giving students many opportunities for work placement and volunteering.

Equality

Greenhead College is committed to ensuring equality of opportunity for all who learn and work here. The College respects and values positively differences in race, sexual orientation, disability, religion or belief and age. The College strives vigorously to remove conditions which place people at a disadvantage and will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis. An annual report is issued to the Corporation.

The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The College has been awarded the Two Ticks Disability award which recognises the College's commitment towards disabled staff and those with disabilities applying for advertised jobs within the College.

Disability statements

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 (as amended by the Special Education Needs and Disability Acts of 2001 and 2005) and the 2010 Equality Act.

- As part of the redevelopment of the buildings, the College has continued to address access issues wherever possible.
- The College has a member of staff with responsibility for students with learning difficulties. The College also has a member of staff to support dyslexic students.
- The College employs study centre staff to help students achieve their potential.
- The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are made to the Principal.
- Counselling and welfare services are described in the College charter, together with the Complaints and Disciplinary Procedures.
- The College continues to work closely with the Local Authority to ensure that students have their needs addressed as they progress to further education.

The College's Equal Opportunities Policy is published on the College's website.

Trade union facility time

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

Number of employees who were union officials during the relevant period	FTE employee number
4 (3 teaching, 1 support staff)	117.5 teaching staff 72.04 support staff = 139.54

Percentage of time	Number of employees
0%	0
1 - 50%	4
51% - 99%	0
100%	0

Percentage of time	Number of employees
0%	0
1 - 51%	4

Time spent on paid trade union activities as a percentage of total paid facility time	0
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Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The College incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE REPORTING PERIOD

There is nothing to report after the reporting period.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The Governors 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 Corporation on 7 December 2020 and signed on its behalf by

DocuSigned by:

BEE16A89CCDF44C...
Richard Armstrong
Chair of Governors

Statement of Corporate Governance and Internal Controls

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 2019 to 31 July 2020 and up to the date of approval of the Annual Report and Financial Statements.

The College endeavours to conduct its business:

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

In the opinion of the Corporation, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2020. This opinion is based on an internal review of compliance with the Code. The Corporation 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.

Members of 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.

Name of Governor in 2019/20	Appointed	Term of office	Term of Office Ends	Status of appointment	Committees served	Attendance in 2019/20 (Corporation & Committee)
Miss Lucy Adeniji	March 2019	1 year	March 2020	Student	Health and Safety	80%
Mr Richard Armstrong	May 2018	4 years	May 2022	External	Chair of Corporation (June 2019) Finance and Estates Quality and Standards	94%

Name of Governor in 2019/20	Appointed	Term of office	Term of Office Ends	Status of appointment	Committees served	Attendance in 2019/20 (Corporation & Committee)
Mrs Ruth Baker	March 2012 (2nd term from March 2016)	4 years	March 2020 (extended until Oct 2020)	Staff	Audit and Risk Health and Safety	100%
Miss Abby Barraclough	March 2020	1 year	March 2021	Student	Health and Safety	75%
Mr Gurveer Birdi	December 2017	4 years	December 2021	External	Audit and Risk	63%
Mr Roger Bryant	December 2006 (2 nd term Dec 2010-14) (third term Dec 2014-2018) (re-appointed for further 2 years Dec 2018)	2 years	Resigned September 2019	External	Chair (Until May 2019) Vice Chair (June 2019 – Sept 2019) Finance and Estates, Quality and Standards, Search and Governance	50%
Mrs Sue Douthwaite	April 2019	3 years	April 2022	Parent	Finance and Estates	64%
Mrs Sue Ellis	October 2015 (2 nd term from Oct 2019)	4 years	October 2023	External	Search and Governance (Chair) Safeguarding leads	100%
Mrs Chantal Forrest	November 2014 (2 nd term from Nov 2017)	4 years	November 2021	External	Health and Safety (Chair) Finance and Estates	92%
Miss Lucy Giles	March 2020	1 year	March 2021	Student	Health and Safety	50%

Greenhead College**Members' Report and Financial Statements for Year Ended 31 July 2020**

Name of Governor in 2019/20	Appointed	Term of office	Term of Office Ends	Status of appointment	Committees served	Attendance in 2019/20 (Corporation & Committee)
Mr Stuart Hillary	July 2017	4 years	July 2021	External	Audit and Risk: Quality and Standards	42%
Mr John Holroyd	December 2019	4 years	December 2023	External	Finance and Estates	100%
Mrs Jo Horsfall	November 2017	3 years	November 2020	Parent	Health and Safety: SEND lead	50%
Mr Stuart Irving	February 2020	4 years	February 2024	External	Health and Safety Quality and Standards	38%
Mrs Alison Jones	July 2020	4 years	July 2024	External	Audit and Risk	100%
Mr Richard King	October 2019	4 years	October 2023	External	Audit and Risk: Search and Governance	91%
Mr Simon Lett	September 2016	Ex officio		Ex officio Principal	Finance and Estates: Search and Governance: Quality and Standards Health and Safety Audit & Risk (observer)	90%
Miss Katie Mallinson*	December 2016	4 years	December 2020	External	Search and Governance Marketing Lead	50%

Name of Governor in 2019/20	Appointed	Term of office	Term of Office Ends	Status of appointment	Committees served	Attendance in 2019/20 (Corporation & Committee)
Mr Mark O'Connor	May 2015 (2 nd term from May 2019)	4 years	May 2023	External	Audit and Risk: Health and Safety Careers lead	40%
Mrs Jane Rylah	July 2016	4 years	July 2020 (extended until Oct 2020)	Staff	Quality and Standards	100%
Mr Craig Shannon	July 2017	4 years	July 2021	External	Finance and Estates: Quality and Standards	80%
Mrs Michelle Wheatcroft	May 2019	4 years	May 2023	External	Audit and Risk: Health and Safety Mental Health Lead	30%
Mr Pete Woodcock	June 2012 (2 nd term from June 2016)	4 years	June 2020	External	Vice Chair from Sept 2019 Audit and Risk (Chair) Search and Governance	73%
Mr Zain Zainuddin	March 2019	1 year	March 2020	Student	Health and Safety	100%

- Miss Katie Mallinson was on maternity leave from January to September 2020.

Overall attendance by Governors at Corporation and Committee meetings was 75%.

The governance framework

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 normally meets six times a year on a half-termly basis.

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 and Estates, Audit and Risk, Search and Governance, Quality and Standards, Health, Safety and Wellbeing and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the corporation, are available on the college's website www.greenhead.ac.uk or from the Clerk to the Corporation at Greenhead College, Greenhead Road, Huddersfield HD1 4ES.

The Clerk to the Corporation 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 Clerk to the Corporation, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Corporation and Committee 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.

COVID-19:

As a consequence of the Covid-19 pandemic, meetings of the Corporation and its committees have continued to take place with no significant change apart from meetings being conducted online rather than on the usual face-to-face basis.

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee 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. External Governors can be re-appointed to the Corporation after their terms of office have expired. Staff and Parent Governors may stand for re-election if still eligible.

Search and Governance Committee

The Search and Governance Committee comprises a Chair, Vice-Chair and four other Governors including the Principal. The Committee identifies potential new external governors and makes recommendations to the Corporation regarding their appointment and the re-appointment of existing Governors. The Committee is also responsible for providing general advice to the Corporation on governance matters. The Committee meets at least once per term as required.

Audit and Risk Committee

The Audit and Risk Committee comprises six Governors and excludes the Principal (as Accounting Officer) and Chair of the Corporation. Its purpose is to advise the Corporation on all matters pertaining to internal and external audit activities and the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes. The committee also advises the Corporation on the appointment of internal, regularity and financial statement auditors and their remuneration for both audit and non-audit work.

The Committee meets on a termly basis and provides a forum for reporting via the College's internal auditors and financial statements and regularity auditors, who have access to the Committee for independent discussion, without the presence of College management. As a result of Covid-19 the Committee met on two occasions in 2019/20.

Finance and Estates Committee

The Finance and Estates Committee comprises six Governors including the Chair of the Corporation. The Committee is responsible for advising the Corporation on the effective and efficient use of resources, the solvency of the College and safeguarding of its assets. It also considers the annual estimates of income and expenditure, agreeing the annual budget and monitoring expenditure via monthly management reports, and assesses site development. The Committee normally meets five times per year. In 2019/20, in view of the possible major investment in increasing the capacity of the College through redevelopment on the site, it additionally established a Capital Development sub-committee which also included the Chair of the Audit and Risk Committee so as to consider in more detail the options for such a development. This sub-committee met between meetings of

the Finance and Estates Committee in order to provide timely and clear guidance to the senior leadership team in looking at the capital development options.

Quality and Standards Committee

The Quality and Standards Committee comprises seven Governors including the Principal. The Committee examines curriculum performance (including data analysis), enrolment, retention and Ofsted readiness and meets at least termly. The Committee is also responsible for annual validation of the College's Self-Assessment Report (SAR).

Health, Safety and Wellbeing Committee

The Health, Safety and Wellbeing Committee comprises six Governors and is responsible for advising the Corporation on matters affecting the health, safety and welfare of students, staff and visitors to the College. It normally meets termly.

Remuneration Committee

The Remuneration Committee was re-established from the 2017/18 academic year and is responsible for matters relating to the pay and conditions of service of the senior staff and the Clerk. It normally meets annually but can meet additionally if required.

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 he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between Greenhead College and the funding bodies. 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 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 Greenhead College for the year ended 31 July 2020 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 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 2020 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:

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

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit and Risk Committee. At a minimum, annually, the Head of Internal Audit (HIA) provides the Corporation 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.

COVID-19:

The College re-opened from the Covid-19 lockdown in the second week of June 2020.

Between this date and the end of term a limited number of students were allowed back into College and the site was made one way only to improve traffic flow and reduce contact with other individuals. At the start of the new term in September, a revised timetable was put in place which allowed just half of students in College at any one time, longer lesson periods which reduced student numbers in the afternoon and on line streaming of lessons using more I.T. facilities. A Covid 19 Risk assessment was created and is amended constantly as necessary. A wide range of PPE was purchased for staff prior to lessons starting in September.

The Principal issues a weekly bulletin which covers Covid 19 updates.

Risks faced by the Corporation

The College has an Audit and Risk Committee that meets three times a year when possible. The Committee decides at the start of the academic year which Internal Audits will take place during the year. This decision will be based on current medium to high level identified risks, areas which have not been audited for some time and advice from the Internal Auditors. The Committee will also look at recent audits, recommendations made and how these have been implemented. Key risks are considered after each committee meeting.

The Risk Register scores each risk out of 4 (1 low and 4 high) for impact and likelihood (once controls have been put in place). These two scores are added together to produce an impact score. Risks are then graded from High Level to Low Level, and the Risk Register shows how the risks are identified, how they are controlled and who has responsibility for each risk.

The SLT looks at the Risk Register on a monthly basis, assesses any required changes to existing risks, and considers any new risks that have emerged in the past month. The Risk Register is marked and dated with changes in order for the Audit and Risk committee to note changes made. The Risk Register is an agenda item at each Audit and Risk Committee meeting. Any new risks may be considered for an Internal Audit.

Currently the Covid 19 risk is the highest on the register which shows measures the College has put in place to reduce the risk's impact.

Control weaknesses identified

The internal auditors identified a weakness in the college's systems whereby there was a lack of segregation of duties in the adding of new suppliers to the finance system. In response to this, the college policy now requires a second authorisation before suppliers can be paid, including an independent check of new suppliers' bank details. This check is embedded within the accounting system software and so

cannot be circumvented. The audit committee is satisfied that the action taken is sufficient to address the control weakness.

Responsibilities under funding agreements

Throughout the financial year the College MIS Manager completes a series of Individualised Learner Record (ILR) returns which records the number of students on role and the number of planned hours that each student is in College. The reports also detail those students who have left College during the year. This process was the subject of an Internal Audit in January 2017 and received a Substantial Assurance level.

The ESFA Integrated Financial Model, which included a two year budget and cashflow, was submitted to the ESFA at the end of February 2020 followed by the Covid Cashflow return in June. The Audited Financial Accounts of the College were sent to the ESFA at the end of 2019 and a copy placed on the College website.

As additional information, copies of the monthly management accounts were submitted to the Regional ESFA Managers during a period of informal financial intervention. This process ceased at the end of the 2019-20 financial year.

Statement from the Audit and Risk Committee

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

The specific areas of work undertaken by the Audit and Risk Committee in 2019/20 and up to the date of the approval of the financial statements are (1) Budgetary Control and (2) Cyber Security.

Review of effectiveness

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

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

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

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

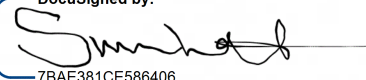
The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and the Audit and Risk Committee.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

Based on the advice of the Audit and Risk 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 Corporation on 7 December 2020 and signed on its behalf by:

DocuSigned by:

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 Richard Armstrong
 Chair of Governors
 7 December 2020

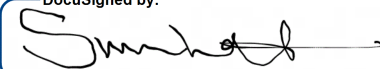
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 7BAE381CE586406...
 Simon Lett
 Accounting Officer
 7 December 2020

Statement of Regularity, Propriety and Compliance

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

We confirm on behalf of the Corporation that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the terms and conditions of funding, under the Corporation's grant funding agreements and contracts with the ESFA, or any other public funder.

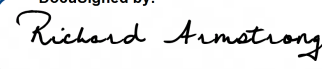
We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.

DocuSigned by:

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Simon Lett

Accounting Officer

7 December 2020

DocuSigned by:

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Richard Armstrong

Chair of Governors

7 December 2020

Statement of Responsibilities of the Members of the Corporation

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

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

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 Members' Report which 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.

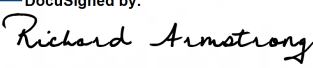
The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher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

The Corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have

occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the 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 economical, 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 the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 7 December 2020 and signed on its behalf by:

DocuSigned by:

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Richard Armstrong

Chair of Governors

Independent Auditor's Report to the Corporation of Greenhead College

Opinion

We have audited the financial statements of Greenhead College for the period ended 31 July 2020 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, 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) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2020 and of its income and expenditure 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 Statement of Recommended Practice: Accounting for Further and Higher Education (the 2019 FE SORP) and the Accounts Direction 2019 to 2020 issued by the ESFA.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Corporation has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members of the Corporation are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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

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

- the information given in the Report of the Governing Body for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governing Body has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body.

We have nothing to report in respect of the following matters prescribed by the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency which requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on pages 33 -34, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing 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 Governing Body either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

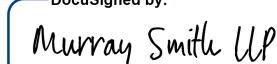
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation, as a body, 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 College and the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Date 7 December 2020

Reporting Accountant's Assurance Report on Regularity**To: The Corporation of Greenhead College and Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)**

In accordance with the terms of our engagement letter dated 9 November 2020 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Greenhead College during the period 1 August 2019 to 31 July 2020 have been applied to the purposes identified by Parliament and the financial transactions do conform to the authorities which govern them.

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

This report is made solely to the Corporation of Greenhead College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Greenhead College and 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 Greenhead College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Greenhead College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion included:

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

Conclusion

In the course of our work nothing has come to our attention which suggests that, in all material respects the expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

DocuSigned by:
Murray Smith LLP
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Date 7 December 2020

Greenhead College
Statement of Comprehensive Income and Expenditure
For the year ended 31 July 2020

	Notes	2020 £'000	2019 £'000
INCOME			
Funding body grants	2	10,715	10,044
Other grants and contracts	3	23	-
Other income	4	338	444
Investment income	5	3	3
Total Income		11,079	10,491
 EXPENDITURE			
Staff Costs	6	8,754	8,852
Other operating expenses	7	1,752	1,766
Depreciation	9	596	568
Interest and other finance costs	8	105	79
Total Expenditure		11,207	11,265
 (Deficit)/surplus for the year		(128)	(774)
 Actuarial (loss)/gain in respect of pension schemes	18	(2,247)	(1,425)
 Total Comprehensive Income for the year		(2,375)	(2,199)

The accompanying notes form part of these financial statements.

Greenhead College
Statement of Change in Reserves
For the year ended 31 July 2020

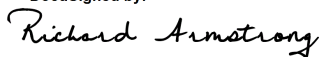
	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2018	2,713	349	3,062
(Deficit)/surplus from income and expenditure account	(774)	-	(774)
Other comprehensive income	(1,425)	-	(1,425)
Transfers between revaluation and income and expenditure reserves	55	(55)	-
Total comprehensive income	(2,144)	(55)	(2,199)
Balance at 31 July 2019	569	294	863
(Deficit)/surplus from income and expenditure account	(128)	-	(128)
Other comprehensive income	(2,247)	-	(2,247)
Transfers between revaluation and income and expenditure reserves	55	(55)	-
Total comprehensive income	(2,320)	(55)	(2,375)
Balance at 31 July 2020	(1,751)	239	(1,512)

Greenhead College

Balance Sheet as at 31 July 2020

	Notes	2020 £'000	2019 £'000
Non current assets			
Tangible fixed assets	9	10,384	10,825
		<u>10,384</u>	<u>10,825</u>
Current assets			
Stocks		2	2
Trade and other receivables	10	192	81
Cash and cash equivalents	14	648	545
		<u>842</u>	<u>628</u>
Less: Creditors - amounts falling due within one year	11	(823)	(1,051)
Net current assets/(liabilities)		<u>19</u>	<u>(423)</u>
Total assets less current liabilities		10,403	10,402
Creditors - amounts falling due after more than one year	12	(5,572)	(5,846)
Provisions			
Defined benefit obligations	18	(6,343)	(3,693)
Total net assets		<u><u>(1,512)</u></u>	<u><u>863</u></u>
Unrestricted reserves			
Income and expenditure account		(1,751)	569
Revaluation reserve		239	294
Total unrestricted reserves		<u><u>(1,512)</u></u>	<u><u>863</u></u>

The financial statements on pages 40 to 59 were approved and authorised for issue by the Corporation on 7 December 2020 and were signed on its behalf on that date by:

DocuSigned by:

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Richard Armstrong
 Chair

DocuSigned by:

 7BAE381CE586406...
Simon Lett
 Accounting Officer

Greenhead College
Statement of Cash Flows
For the year ended 31 July 2020

	Notes	2020 £'000	2019 £'000
Cash flow from operating activities			
Surplus/(Deficit) for the year		(128)	(774)
Adjustment for non-cash items			
Depreciation	9	596	568
Deferred capital grants released		(156)	(157)
(Increase) / decrease in stocks		-	-
(Increase) / decrease in debtors	10	(111)	23
Increase / (decrease) in creditors due within one year	11	(241)	334
Increase / (decrease) in creditors due after one year		-	-
Pensions cost less contributions payable		403	299
Adjustments for investing or financing activities			
Investment income	5	(3)	(3)
Interest payable	8	30	28
Net cash flow from operating activities		<u>390</u>	<u>318</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Investment income	5	3	3
Payments made to acquire fixed assets	9	(155)	(99)
		<u>(152)</u>	<u>(96)</u>
Cash flows from financing activities			
Interest paid	8	(30)	(28)
Repayment of amounts borrowed		(105)	(109)
		<u>(135)</u>	<u>(137)</u>
Increase / (decrease) in cash and cash equivalents in the year		<u>103</u>	<u>85</u>
Cash and cash equivalents at beginning of the year	14	545	460
Cash and cash equivalents at the end of the year	14	648	545

Notes to the Accounts

1. Statement of Accounting Policies and Estimation Techniques

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

Basis of Preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2019 to 2020* 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 as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Going Concern

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

The College currently has £1.112m of loans outstanding with bankers on terms negotiated in 2015 being secured by a charge on College land and buildings. The terms of the existing agreement are for 15 years from the date the loan was originally drawn. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility for the foreseeable future. The loan was renegotiated in 2020 for five more years.

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

Recognition of Income

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. 16-19 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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.

Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Accounting For Post-Employment Benefits

Post-employment benefits to employees of the College 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.

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

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 financial costs.

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

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

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

- New build – 50 years.
- Refurbishments – 10/20 years

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.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings which have not been revalued since incorporation.

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 College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £5,000 per individual item (or group of items if part of a one expenditure project) is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over a period of five years.

Borrowing Costs

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

Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure.

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

Inventories

Inventories are stated at the cost price.

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 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.

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.

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.

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.

Other key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate.

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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2019. 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.

Greenhead College

Notes to the accounts

2 Funding body grants

	2020 £'000	2019 £'000
Recurrent grants		
Education and Skills Funding Agency - 16-18	10,081	9,675
Specific grants		
Education and Skills Funding Agency - 16-18	38	-
Education and Skills Funding Agency - capital grants	59	212
Teacher Pension Scheme contribution grant	381	-
Release of government capital grants	156	157
Total	10,715	10,044

3 Other grant and contracts

	2020 £'000	2019 £'000
Coronavirus Job Retention Scheme grant	23	-
Total	23	-

The corporation furloughed catering staff under the government's Coronavirus Job Retention Scheme. The funding received of £23k relates to staff costs which are included within the staff costs note below as appropriate.

4 Other income

	2020 £'000	2019 £'000
Catering	142	207
Other income generating activities	3	3
Miscellaneous income	193	234
Total	338	444

5 Investment income

	2020 £'000	2019 £'000
Interest receivable	3	3
Total	3	3

Greenhead College

Notes to the accounts (continued)

6 Staff costs

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

	2020	2019
	No.	No.
Teaching staff	142	139
Non teaching staff	115	113
	257	252

Staff costs for the above persons

	2020	2019
	£'000	£'000
Wages and salaries	6,292	6,541
Social security costs	615	633
Other pension costs including FRS 102 charge £328,000 (2019 £136,000 FRS 102 charge and £112,000 past service charge)	1,708	1,310
Apprentice Levy	17	18
Local Government Pension additional contribution	-	29
Payroll sub total	8,632	8,531
Contracted out staffing services	90	97
	8,722	8,628
Restructuring costs - Non contractual	32	224
Total staff costs	8,754	8,852

Key management personnel

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

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

	2020	2019
	No.	No.
The number of key management personnel including the Accounting Officer was:	7	7

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

	2020	2019
Up to £10,000 p.a. (AP employed in May 19)	-	1
£50,000 to £60,000 p.a. (includes VP leaving April 19)	3	4
£60,001 to £70,000 p.a.	1	1
£70,001 to £80,000 p.a.	2	1
£100,001 to £110,000 p.a.	1	1
	7	8

Greenhead College

Notes to the accounts (continued)

6 Staff costs (continued)

Key management personnel compensation is made up as follows:

	2020	2019
	£'000	£'000
Salaries	490	470
Employer's national insurance contributions	59	59
Employer's pension contributions	110	78
Total key management personnel compensation	659	607

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

The above compensation includes amounts paid to the Principal who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2020	2019
	£'000	£'000
Salaries	111	107
Employer's pension contributions	26	18
	137	125

The governing body adopted AoC's Senior Staff Remuneration Codes in July 2019 and assesses pay in line with its principals.

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

Relationship of Principal pay and remuneration expressed as a multiple

	2020	2019
	£'000	£'000
Principal's basic salary as a multiple of the median of all staff	4.5	4.2
Principal's total remuneration as a multiple of the median of all staff	4.6	4.2

The members of the corporation other than the Accounting officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Greenhead College

Notes to the accounts (continued)

7 Other operating expenses

	2020	2019
	£'000	£'000
Teaching costs	254	258
Non-teaching costs	1,022	972
Premises cost	476	536
	<u>1,752</u>	<u>1,766</u>

Other operating expenses include:

Auditors' remuneration:

Financial statement audit	12	12
Internal audit	2	9
Hire of assets under operating leases	<u>54</u>	<u>54</u>

8 Interest and other finance costs

	2020	2019
	£'000	£'000
On bank loans	30	28
Net interest on defined pension liability (note 18)	75	51
Total	<u>105</u>	<u>79</u>

Greenhead College

Notes to the accounts (continued)

9 Tangible fixed assets

	Land and buildings Freehold £'000	Equipment £'000	Total £'000
Cost or valuation			
At 1 August 2019	15,789	3,473	19,262
Additions	-	155	155
Disposals	-	-	-
At 31 July 2020	15,789	3,628	19,417
Depreciation			
At 1 August 2019	5,264	3,173	8,437
Charge for the year	438	158	596
Elimination in respect of disposals	-	-	-
At 31 July 2020	5,702	3,331	9,033
Net book value at 31 July 2020	10,087	297	10,384
Net book value at 31 July 2019	10,525	300	10,825

The College carries inherited assets at an inherited value of £238,808. The assets were valued on incorporation and not updated since. The historic cost of these assets is nil.

Land and buildings with a net book value of £4.7m have been financed with Government funds. Should these assets be sold, the College may be liable under the terms of the financial memorandum to surrender the proceeds.

Land and buildings were valued in 1996 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice.

Greenhead College

Notes to the accounts (continued)

10 Trade and other receivables

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	1	1
Other debtors	13	1
Prepayments and accrued income	178	79
Total	192	81

11 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Bank loans and overdrafts	121	108
Trade payables	283	278
Other taxation and social security	151	153
Deferred income - government capital grants	157	157
Other creditors	60	232
Accruals and deferred income	51	123
	823	1,051

12 Creditors: amounts falling due after one year

	2020	2019
	£'000	£'000
Bank loans and overdrafts	991	1,109
Deferred income - government capital grants	4,581	4,737
	5,572	5,846

See note 13 for further details

13 Maturity of debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2020	2019
	£'000	£'000
In one year or less	121	108
Between one and two years	137	108
Between two and five years	411	324
In five years or more	443	677
Total	1,112	1,217

Bank loans comprise of:

Barclays Bank PLC loan of £845k repayable by instalments starting in October 2020 and ceasing in September 2025. Interest is on a floating rate basis, under which the interest rate will never be less than 2.3%.

Greenhead College

Notes to the accounts (continued)

13 Maturity of debt (continued)

Barclays Bank PLC loan of £400k repayable by instalments starting in November 2016 and ceasing in October 2026. Interest is charged at 2% over base rate.

The total amount outstanding at 31 July 2020 is £1.112m.

(b) Finance leases

The College has no finance leases as at 31 July 2020.

14 Cash and cash equivalents

	At 1 August 2019 £'000	Cash flows £'000	Other changes £'000	At 31 July 2020 £'000
Cash and cash equivalents	545	103	-	648
Overdrafts	-	-	-	-
Total	545	103	-	648

15 Capital and other commitments

	2020 £'000	2019 £'000
Commitments contracted for at 31 July	-	-

16 Lease obligations

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

	2020 £'000	2019 £'000
Future minimum lease payments due		
Other		
Not later than one year	54	54
Later than one year and no later than five years	77	109
Later than five years	-	-
Total lease payments due	131	163

17 Events after the reporting period

There are no events after 31 July 2020, which required reporting.

Greenhead College

Notes to the accounts (continued)

18 Defined benefit obligations

The College'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 West Yorkshire Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2016 and the LGPS 31 March 2019.

Total pension cost for the year

	2020	2019
	£'000	£'000
Teachers' Pension Scheme: contributions	1,127	805
Local Government Pension Scheme:		
Contributions paid	253	257
FRS 102 (28) charge	328	136
Past service charge	-	112
Charge to the Statement of Comprehensive Income	581	505
Total Pension Cost for Year within staff costs	1,708	1,310

Teachers' Pension Scheme

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

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

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

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

Greenhead College

Notes to the accounts (continued)

18 Defined benefit obligations (continued)

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education the Department in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

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

The pension costs paid to TPS in the year amounted to £1,127K (2019: £805k).

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate administered by West Yorkshire County Council. The total contribution made for the year ended 31 July 2020 was £337k, of which employer's contributions totalled £253k and employees' contributions totalled £84k. The agreed contribution rates for future years are 20.3% for employers and range from 5.5% to 9.9% for employees depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019.

	At 31 July 2020	At 31 July 2019
Rate of increase in salaries	3.55%	3.55%
Future pensions increase	2.30%	2.30%
Discount rate for scheme liabilities	1.40%	2.10%
Inflation assumptions (CPI)	2.30%	2.30%

Greenhead College

Notes to the accounts (continued)

18 Defined benefit obligations (continued)

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 2020	At 31 July 2019
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

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

	Estimated split of plan assets at 31 July 2020	Fair value at 31 July 2020 £'000	Estimated split of plan assets at 31 July 2019	Fair value at 31 July 2019 £'000
Equities	77.7%	5,921	78.6%	6,310
Property	4.3%	328	4.3%	345
Government bonds	10.0%	762	9.9%	795
Corporate bonds	5.0%	381	3.6%	289
Cash	1.6%	122	2.1%	169
Other	1.4%	107	1.5%	120
Total market value of assets		7,620		8,028
Actual return on plan assets		(512)		714

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

	2020 £'000	2019 £'000
Fair value of plan assets	7,620	8,028
Present value of plan liabilities	(13,963)	(11,721)
Net pensions (liability)/asset	(6,343)	(3,693)

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

	2020 £'000	2019 £'000
Amounts included in staff costs		
Current service cost	581	393
Past service cost	-	112
Total	581	505

Greenhead College

Notes to the accounts (continued)

18 Defined benefit obligations (continued)	2020	2019
	£'000	£'000
Amounts included in investment income		
Net interest income	(75)	(51)
	<u>(75)</u>	<u>(51)</u>
Amount recognised in Other Comprehensive Income		
Asset gains/(losses)	(682)	510
Liability gains/(losses)	(1,565)	(1,935)
Amount recognised in Other Comprehensive Income	<u>(2,247)</u>	<u>(1,425)</u>
Movement in net defined benefit (liability) during year	2020	2019
	£'000	£'000
Net defined (liability) in scheme at 1 August	(3,693)	(1,969)
Movement in year:		
Current service cost	(581)	(393)
Employer contributions	253	257
Past service cost	-	(112)
Net interest on the defined (liability)	(75)	(51)
Actuarial gain/(loss)	(2,247)	(1,425)
Net defined benefit (liability) at 31 July	<u>(6,343)</u>	<u>(3,693)</u>
Asset and Liability reconciliation	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	11,721	9,193
Current service cost	581	393
Interest cost	245	255
Contributions by Scheme participants	84	80
(Gains)/losses on changes in financial assumptions	1,565	1,935
Estimated benefits paid	(233)	(247)
Past service cost	-	112
Curtailments and settlements	-	-
Defined benefit obligations at end of period	<u>13,963</u>	<u>11,721</u>

Greenhead College

Notes to the accounts (continued)

18 Defined benefit obligations (continued)

	2020 £'000	2019 £'000
Changes in fair value of plan assets		
Fair value of plan assets at start of period	8,028	7,224
Interest on plan assets	170	204
Return on plan assets	(682)	510
Employer contributions	253	257
Contributions by Scheme participants	84	80
Estimated benefits paid	(233)	(247)
Fair value of plan assets at end of period	<u>7,620</u>	<u>8,028</u>

19 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 in accordance with the College's financial regulations and normal procurement procedures.

Governors' expenses during the year were £1,634 (2019: £883).

No transactions were identified which should be disclosed under FRS 102.

20 Amounts disbursed as agent - Learner support funds

	2020 £'000	2019 £'000
Carried forward from previous year	32	47
EFA grants - Bursaries and Free School Meals grants	<u>334</u>	<u>337</u>
	366	384
Disbursed to students	(338)	(337)
Administration costs (5% of bursary grant)	<u>(16)</u>	<u>(15)</u>
Balance unspent as at 31 July, included in creditors	<u>12</u>	<u>32</u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.