

Greenhead College
Members' Report and Financial Statements
2020-21

CONTENTS

Reference and Administrative Details	3
Strategic Report	4
Statement of Corporate Governance and Internal Controls	18
Statement of Regularity, Propriety and Compliance	27
Statement of Responsibilities of the Members of the Corporation	28
Independent Auditor's Report on the Financial Statements	30
Independent Reporting Accountant's Report on Regularity	34
Statement of Comprehensive Income and Expenditure	36
Statement of Changes in Reserves	37
Balance Sheet	38
Statement of Cash Flows	39
Notes to the Financial Statements	40

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 2020-21:

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 of Education
Tom Rowley	-	Assistant Principal Curriculum, Quality of Education

Corporation

A full list of Governors, the Committees served on, and positions held in 2020-21 is provided at pages 18-20. Ian Leedham serves as Clerk to the Corporation.

Professional Advisors

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

Internal Auditors: Audit One, Kirkstone Villa, Lanchester Road Hospital, Durham.

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 2021. 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

Purpose:

Be exceptional.

Principles:

Create a safe space to grow and flourish

- Create an inclusive, welcoming and safe space
- A sense of community amongst both staff and students
- Where wellbeing comes first (just as important as academic skills)
- Where all staff are trusted and valued as professionals
- Where praise, recognition and support are shown to each other.

Be the best you can be

- Treat every member of the College as an individual
- Clear direction and communication
- Mutual respect between all College staff and students
- Equality of opportunity for every student
- Value and celebrate individuality and diversity.

Pursue excellence

- Promote a culture of quality and success
- Go above and beyond for our students

- Very high quality of teaching and pastoral care
- Be flexible and embrace the future
- Be at the forefront of the sector in order to serve current and future generations of students and staff.

Every person matters

- Enrich people's talents and skills
- Create opportunities for all abilities to achieve their full potential
- Challenge and educate (Try things, Fail, Learn)
- Allow students to grow in all aspects of self
- Develop responsible, resilient, caring, young adults.

Greenhead College aims 2020-25

In order to fulfil its mission for the period 2020-25, the College aims:

- To retain its reputation of being the lead provider in the local area 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 replace its outdated Laingspan buildings in order to improve teaching accommodation, increase social space of students and plan a further increase in capacity to 2700 students once the building work is completed
- To be financially stable in the period 2020-25 and to plan for future financial sustainability beyond this point
- 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 support systems in College to allow all students the opportunity to achieve their full potential, including those with special educational needs and disability (SEND) and high needs; promoting safeguarding, Prevent and British values in the context of

the increased risk in West Yorkshire of a terrorist-related incident; investing in support for positive mental health for both students and staff, recognising the importance of wellbeing as being key to students' academic success and a thriving staff workforce; support for staff in the development of their teaching and use of IT

- **Accommodation and resources:** the requirement to improve teaching accommodation and social space in areas of the campus and to invest further in IT to support a longer-term, flexible curriculum model
- **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 should there be no long-term increase in the funding rate
- **Funding:** the importance of maintaining a sustainable budget that will allow for continual investment in the College infrastructure, and the necessity to plan for further staff restructuring by the middle of the decade, should there be no significant increase, or reduction, in core funding, or insufficient additional funding to support increased pension costs.

The delivery of this 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
- College Key Performance Indicators (KPIs)
- Organisational structure
- College Self-assessment Report (SAR)
- College Quality Improvement Plan (QUIP)
- Departmental SARs and QUIPs
- Estates plan
- Admissions policy
- Costed curriculum/staffing plan
- Financial plan/budget/reserves policy
- School liaison plan
- Marketing plan
- IT strategy and action plan
- Teaching, Learning and Assessment policy, including strategies for lesson observation and remote learning
- Individual College policies
- College risk register
- Capital development risk register

- COVID-19 risk register
- FE Commissioner recommendations
- Specific papers and executive summaries for Corporation and Committee meetings, and SLT meetings
- Minutes of SLT meetings and minutes of meetings with middle leaders.

The following key 'checkpoints' will ensure the goals as set out in this 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 SLT performance management targets by the Chair and other Governors, and SLT
- Annual setting of performance management targets for staff, irrespective of their role in College, by College managers
- Principal's and SLT Report – including review of KPIs (reviewed six times a year by the Corporation)
- Update of Strategic Plan (reviewed three times a year by the Corporation)
- Annual validation of College SAR and QUIP (each November by the Quality and Standards Committee of the Corporation - including external 'critical friend' on the panel)
- Annual mid-year review of College QUIP (each February by the Corporation)
- Annual mid-year review of departmental QUIPs (by SLT)
- Review of relevant risk register by SLT and appropriate Governance Committee at each Committee and Corporation meeting
- Governor Link Visits and reports.

Development and performance of the College through the year

Due to the high prevalence of COVID-19 infection rates in Kirklees last autumn, the College operated an alphabet rota system in the first term. Surname A-K students were taught in College for one week and surname L-Z students were taught remotely. This arrangement would swap over for the following week, i.e. L-Zs were taught in College.

During the winter lockdown (i.e. term two), all students continued to be taught by online/remote means. Therefore, the continual development of staff's IT skills was a key feature of the year. All students returned to College shortly before the start of the summer term.

This year, there were no formal examinations, with A Level grades being internally derived by teaching staff. 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.

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 derive Teacher Assessed Grades;
- ii) the need to develop a strategy for the incorporation of IT in the curriculum in future years.

At the end of the 2019-20 academic year, the College worked with AA Projects to implement a series of actions arising from a report by the FE Commissioners (July 2020):

- A space utilisation survey of the Greenhead site;
- Calculation of future space needs compared to current;
- Generation of options for consideration.

The main observations raised by the FE Commissioners and AA Projects fed into the development of a strategic outline case by the College for the replacement of its 1960s science block. In conjunction with the above, the Department for Education began working with the College from May 2020 to develop an options appraisal for removal of its outdated science building.

In January 2020, the Department for Education formally confirmed that Greenhead College would be one of the first 50 schools and colleges to benefit from investment to improve the condition of its facilities. This will involve the replacement of the 1960s science block and other Laingspan buildings in order to erect a new, four-storey block on the site of the current car park. A new car park will be reconstituted on the site of the College's all-weather pitch, with this being reformed at the back of Cooksey building.

With work set to commence in early 2022, this will be a major and exciting development for the College.

In addition, the College is working with a company called Mace to develop future additional works to its estate. A fully costed set of options will be presented to the Corporation early in the new academic year.

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 2021, the College employed 262 staff, of which 7 were Senior Leadership staff, 137 were teaching and 118 support staff.

On the 2020 Day 42 census, the College had 2,606 students enrolled and will be funded for this number in 2021-22.

The College had a £709k surplus of net assets (19-20 £1.5m deficit)

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. The College places a big emphasis on self-assessment and quality assurance and is well-prepared for any future Ofsted inspection. 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 and 2020, 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 and Non-Partner Schools
- 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 2020-21 to achieve a surplus £1.2m and to increase cash holdings by £1.5m in order to improve the College's cash contingency reserve. The College generated a surplus (before LGPS pension costs) of £1.281m against a total income of £12.9m (2019/20: surplus of £277k before pension and restructuring costs against total income of £11m). Including FRS17 and pension finance costs and restructuring costs, there was an operating surplus of £718k (2019-20: £128k deficit).

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 £2.07m, equivalent to 2.7 times of the amount of monthly staff salaries.

The College had £1.36m of net current assets (2019/20 £19k).

The Local Government Pension Scheme deficit fell by £940k during the financial year from £6.343m down to £5.403m.

The improved financial performance will result in an ESFA Financial Health Assessment of Outstanding for 2020/21.

Covid 19 Impact

Throughout the year Covid had an adverse impact on teaching and learning with partial attendance and on line teaching throughout the year. Overall there were additional costs to cover absent staff through Covid and additional cleaning staff costs as the College added more cleaning hours during the day to ensure circulation areas were kept sanitised. Savings were made in teaching resources, enrichment and reprographics as a direct impact of Covid.

The College made use of remote learning from early January and as a result of a Government announcement exams were again cancelled being replaced by formal assessments and Teacher Assessed Grades.

Reserves

The College accumulated general reserves of £5.928m excluding pension liabilities of £5.403m (2019-20: £4.592m excluding pension liabilities of £6.343m) and a cash balance of £2.074m (2019-20 £648k). The College will continue to accumulate reserves and cash balances in order to create a contingency fund and to improve accommodation throughout the site.

Sources of Income

In 2020-21 the College was funded for 2,511 students and received ESFA core funding of £12.2m (2019-20: £10.1m). The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2020/21, ESFA provided 98.2% of the College's total income (2019/20: 96.9%).

FUTURE PROSPECTS

ESFA core funding for the College in 2021/22 has been confirmed at £12.7m. The increase in funding from 2020-21 is as a result of additional students enrolled in 2020-21. It is estimated that the College will have £3m in cash reserves by the end of the 2021-22 financial year which in part will be put towards Capital Developments within College.

Following the Government's Spending Review announcement in October, further details of College funding levels beyond 2021-22 have still to be confirmed. However, at current funding levels the College is currently forecasting a surplus in each of the next two years and an Outstanding financial health assessment.

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 2020-21 there was an increase in cash of £1.43m.

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 2020/21 this requirement was met. The College is currently reviewing its Reserves Policy. The College seeks to build up reserves in order to improve the College site and facilities when appropriate.

The Bank's loan covenant was met in 2020-21.

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.

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 2020-21 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 an increased number of support sessions.

2. Competition

The College is finding that competition continues to grow. A marketing team works with schools to attract new students although in 2020-21 this work has to be carried out remotely due to Covid 19. This had no impact on the number of students applying to the College or being made offers for the 2021-22 academic year.

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 its self-assessment and quality processes follow the most current education inspection framework. The College has good Safeguarding measures in place in order to satisfy current requirements.

The College ensures that outcomes for students remain high:

- 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 2020-21. These are set out below with the outcome of each KPI in the right-hand column:

WHOLE COLLEGE:	KPI 2020-21	ACTUAL 2020-21
Pass rate % (NBM: 97.5%)*	Between 99.0 – 99.5	99.8%
High grades % (NBM: 51.1%)*	Between 63.5 – 64.5	71.8%
Retention rate %~ (NBM: 92.5%)*	Between 95.0 – 95.5	97.0%
Retained and Assessed rate % (NBM n/a)*	Between 95.0 – 95.5	95.9%
Attendance %	Between 94.5 - 95.0	96.7%
Value Added grade	Score between 0.98 – 1.01 (i.e. Grade 3-2) (inc. Grade 2 for 3-year T-score)	Score of 1.01' (‘Grade 2’) (+ ‘Grade 2’ for 3-year T-score)
Student satisfaction %	Between 92.5 - 93.5 T&L Between 90.0 – 92.0 student satisfaction	T&L – 92.5% Student satisfaction – 92.0%
Staff absence %	Support – <4.0 Teaching – <2.0 Overall – <3.0	Support – 4.4% Teaching – 1.6% Overall – 2.6%

Financial Indicators

Financial Indicator	Target for 2020-21	Actual for 2020-21
Teaching staff costs as a %age of total staff costs	76%	74.3%
Payroll costs as a %age of total income	71%	71.3%
Non-ESFA income as a %age of total income	2.2%	1.8%
ESFA Financial Health	Outstanding	Outstanding
Cash in hand days	35	66
End of year surplus (excluding LGPS costs)	£1.2m	£1.25m

Student Numbers

On day 42 in October 20, the College census day, the College had 2,606 student on roll. By the end of the summer term the numbers had fallen to 2,557. A detailed list of

why students leave College is kept for future reference and to help towards future retention.

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
2 (2 teaching staff)	124.07 teaching staff 67.17 support staff = 191.24

Percentage of time	Number of employees
0%	0
1 - 50%	2
51% - 99%	0
100%	0

Percentage of time	Number of employees
0%	0
1 - 51%	2

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.

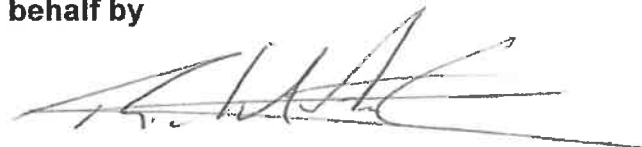
EVENTS AFTER THE REPORTING PERIOD

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 6 December 2021 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Richard Armstrong', with a long horizontal stroke extending to the right.

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 2020 to 31 July 2021 and up to the date of approval of the Annual Report and Financial Statements.

The College endeavours to conduct its business:

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

In the opinion of the Corporation, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2021. 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.

During 2020-21, 28 meetings were held:

- Full Corporation: 5/10/20; 7/12/20; 1/2/21; 15/3/21; 19/5/21; 12/7/21
- Quality and Standards: 14/9/20; 16/11/20; 11/1/21; 25/3/21; 21/6/21
- Finance and Estates: 7/9/20; 23/11/20; 8/2/21; 26/4/21; 14/6/21; 8/7/21
- Capital Development: 4/11/20; 14/12/20; 24/3/21; 5/7/21
- Audit and Risk: 23/11/20; 22/2/21; 10/5/21
- Search and Governance: 21/9/20; 2/11/20; 19/1/21; 8/6/21.

Governor membership & attendance data:

Governor	Appointed	TOO-yrs	TOO-end	Status	Cttees	Attendance
Abby Barraclough	Mar 2020	1	Mar 2021	Student	(F&E)	87%
Alison Jones	Jul 2020	4	Jul 2024	External	S&G; A&R	69%
Governor	Appointed	TOO-yrs	TOO-end	Status	Cttees	Attendance
Chantal Forrest	Nov 2014	4	Nov 2021	External	S&G; CDC	100%

Chris Kneale	Apr 2021	4	Mar 2025	Staff	F&E; A&R	60%
Craig Shannon	Jul 2017	4	Jul 2025	External	Q&S; F&E; CDC	100%
Daniel Bellanfante	Mar 2021	4	Mar 2025	External	Q&S; A&R	85%
Danyaal Malik	Mar 2021	1	Mar 2022	Student	CDC	80%
Ella Briggs	Mar 2021	1	Mar 2022	Student	A&R	100%
Gurveer Birdi	Dec 2017	4	Oct 2020	External	(A&R)	0%
Ian Lavan	Dec 2020	3	Dec 2023	Parent	F&E	88%
James Reeve	Dec 2020	4	Dec 2024	Staff	Q&S; CDC	100%
Jane Rylah	Jul 2016	4	Oct 2020	Staff	(Q&S)	100%
John Holroyd	Dec 2019	4	Dec 2023	External	F&E; CDC	93%
Jo Horsfall	Nov 2017	4	Mar 2021	External	(Q&S)	100%
Jo Nowacki	Oct 2020	2	Jan 2021	Associate	(Q&S)	33%
Kasim Sheikh	Dec 2020	3	Dec 2023	Parent	Q&S	77%
Katie Mallinson	Dec 2016 (External)	1	Dec 2021	Associate	(S&G)	100%
Lisa Wilkinson	Feb 2021	4	Feb 2025	External	F&E	75%
Lucy Giles	Mar 2020	1	Mar 2021	Student	-	100%
Mark O'Connor	May 2015	4	May 2023	External	A&R	88%
Michelle Wheatcroft	May 2019	4	May 2023	External	A&R	77%
Paddy Diamond	Dec 2020	4	Mar 2021	Staff	-	100%
Richard Armstrong	Dec 2017 (Associate)	4	May 2022	External	Q&S; F&E; CDC; S&G; A&R	92%
Richard King	Oct 2019	4	Oct 2023	External	CDC; A&R	85%
Ruth Baker	Mar 2012	4	Oct 2020	Staff	(A&R)	100%
Governor Simon Lett	Appointed Sep 2016	TOO-yrs ongoing	TOO-end ongoing	Status ex-officio	Ctees Q&S; F&E; CDC; S&G; A&R-obs	Attendance 100%

Stuart Hillary	Jul 2017	4	Nov 2020	External	(Q&S); (A&R)	75%
Stuart Irving	Feb 2020	4	Feb 2024	External	Q&S; CDC; S&G	88%
Sue Douthwaite	Apr 2019	3	Nov 2020	Parent	(F&E)	0%
Sue Ellis	Oct 2015	4	Apr 2022	External	S&G	100%
Victoria Wright	Feb 2021	4	Jan 2025	External	CDC; S&G	100%

Overall attendance by Governors at Corporation and Committee meetings was **88%**.

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.

During 2020-21, committee and full Corporation meetings continued to be held on line via Teams as a result of the Covid pandemic.

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.

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 2020/21, 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).

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 2021 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 2021 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.

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 5 (1 low and 5 high) for impact and likelihood (once controls have been put in place). These two scores are multiplied 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 made recommendations following three minor findings regarding control over IRL reporting which have been accepted by the Director of Information Services and measures put in place to rectify.

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.

The ESFA College Financial Forecast Return, which included a two year budget and cashflow, was submitted to the ESFA at the end of July 2021. The Audited

Financial Accounts of the College were sent to the ESFA at the end of 2020 and a copy placed on the College website.

The current External Auditors, Murray Smith, were appointed for the 16-17 audit of the accounts for a 5 year period. In the autumn of 2021, a retendering exercise for external auditors commenced.

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 2020/21 and up to the date of the approval of the financial statements were (1) Budgetary Control and (2) Cyber Security. The number of Internal Audits was limited by the effects of Covid 19.

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.

obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the Senior Leadership Team and internal audit and taking account of events since 31 July 2021.

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"*.

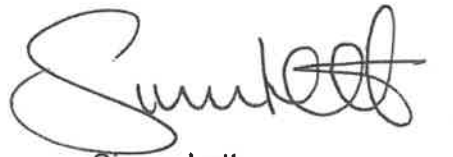
Approved by order of the Corporation on 6 December 2021 and signed on its behalf by:



Richard Armstrong

Chair of Governors

6 December 2021



Simon Lett

Accounting Officer

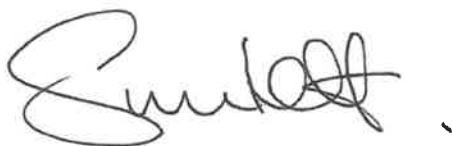
6 December 2021

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.



Simon Lett
Accounting Officer
6 December 2021



Richard Armstrong
Chair of Governors
6 December 2021

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 6 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Richard Armstrong', with a long horizontal flourish extending to the right.

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 ("the College") for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounts policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 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 2021 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 HE SORP) and the Accounts Direction 2020 to 2021 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 Auditor's 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 have 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 the Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on pages 28-29, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit procedures designed to identify irregularities included:

- enquiry of management and those charged with governance around actual and potential litigation and claims

- enquiry of College staff with responsibilities for tax and compliance matters to identify any instances of non-compliance with laws and regulations
- reviewing any minutes available of meetings of those charged with governance
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or through collusion.

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.

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



Date 6 December 2021

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 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record 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 2020 to 31 July 2021 have not been applied to purposes

intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by 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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


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

Date 6 December 2021

Greenhead College
Statement of Comprehensive Income and Expenditure
For the year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
INCOME			
Funding body grants	2	12,762	10,715
Other grants and contracts	3	16	23
Other income	4	210	338
Investment income	5	-	3
Total Income		12,988	11,079
EXPENDITURE			
Staff Costs	6	9,588	8,754
Other operating expenses	7	1,948	1,752
Depreciation	9	623	596
Interest and other finance costs	8	111	105
Total Expenditure		12,270	11,207
Surplus / (deficit) for the year		718	(128)
Actuarial gain / (loss) in respect of pension schemes	18	1,503	(2,247)
Total Comprehensive Income for the year		2,221	(2,375)

The accompanying notes form part of these financial statements.

Greenhead College
Statement of Change in Reserves
For the year ended 31 July 2021

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2019	569	294	863
Surplus / (deficit) 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)
Surplus / (deficit) from income and expenditure account	718	-	718
Other comprehensive income	1,503	-	1,503
Transfers between revaluation and income and expenditure reserves	55	(55)	-
Total comprehensive income	2,276	(55)	2,221
Balance at 31 July 2021	525	184	709

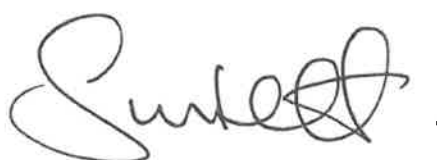
Greenhead College
Balance Sheet as at 31 July 2021

	Notes	2021 £'000	2020 £'000
Non current assets			
Tangible fixed assets	9	10,221	10,384
		<u>10,221</u>	<u>10,384</u>
Current assets			
Stocks		2	2
Trade and other receivables	10	206	192
Cash and cash equivalents	14	2,074	648
		<u>2,282</u>	<u>842</u>
Less: Creditors - amounts falling due within one year	11	(926)	(823)
Net current assets/(liabilities)		<u>1,356</u>	<u>19</u>
Total assets less current liabilities		11,577	10,403
Creditors - amounts falling due after more than one year	12	(5,465)	(5,572)
Provisions			
Defined benefit obligations	18	(5,403)	(6,343)
Total net assets		<u><u>709</u></u>	<u><u>(1,512)</u></u>
Unrestricted reserves			
Income and expenditure account		525	(1,751)
Revaluation reserve		184	239
Total unrestricted reserves		<u><u>709</u></u>	<u><u>(1,512)</u></u>

The financial statements on pages 36 to 55 were approved and authorised for issue by the Corporation on 6 December 2021 and were signed on its behalf on that date by:



Richard Armstrong
Chair



Simon Lett
Accounting Officer

Greenhead College
Statement of Cash Flows
For the year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Cash flow from operating activities			
Surplus/(Deficit) for the year		718	(128)
Adjustment for non-cash items			
Depreciation	9	623	596
Deferred capital grants released		(166)	(156)
(Increase) / decrease in stocks		-	-
(Increase) / decrease in debtors	10	(14)	(111)
Increase / (decrease) in creditors due within one year	11	56	(241)
Increase / (decrease) in creditors due after one year		-	-
Pensions cost less contributions payable		563	403
Adjustments for investing or financing activities			
Investment income	5	-	(3)
Interest payable	8	24	30
Net cash flow from operating activities		1,804	390
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Investment income	5	-	3
Payments made to acquire fixed assets	9	(460)	(155)
		(460)	(152)
Cash flows from financing activities			
Interest paid	8	(24)	(30)
Capital grants received		192	-
Repayment of amounts borrowed		(86)	(105)
		82	(135)
Increase / (decrease) in cash and cash equivalents in the year		1,426	103
Cash and cash equivalents at beginning of the year	14	648	545
Cash and cash equivalents at the end of the year	14	2,074	648

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 2020 to 2021* 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 two loans outstanding totalling £1.026m with Barclays Bank 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 larger loan (£845k) 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 18, 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 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Greenhead College

Notes to the accounts

2 Funding body grants

	2021 £'000	2020 £'000
Recurrent grants		
Education and Skills Funding Agency - 16-18	11,863	10,081
Specific grants		
Education and Skills Funding Agency - 16-18	225	38
Education and Skills Funding Agency - capital grants	83	59
Teacher Pension Scheme contribution grant	425	381
Release of government capital grants	166	156
Total	12,762	10,715

3 Other grant and contracts

	2021 £'000	2020 £'000
Coronavirus Job Retention Scheme grant	16	23
Total	16	23

The corporation furloughed catering staff under the government's Coronavirus Job Retention Scheme. The funding received of £16k (2020: 23k) relates to staff costs which are included within the staff costs note below as appropriate.

4 Other income

	2021 £'000	2020 £'000
Catering	60	142
Other income generating activities	2	3
Miscellaneous income	148	193
Total	210	338

5 Investment income

	2021 £'000	2020 £'000
Interest receivable	-	3
Total	-	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:

	2021	2020
	No.	No.
Teaching staff	143	142
Non teaching staff	119	115
	<u>262</u>	<u>257</u>

Staff costs for the above persons

	2021	2020
	£'000	£'000
Wages and salaries	6,842	6,292
Social security costs	657	615
Other pension costs including FRS 102 charge £476,000 (2020 £328,000)	1,974	1,708
Apprentice Levy	19	17
Payroll sub total	<u>9,492</u>	<u>8,632</u>
Contracted out staffing services	41	90
	<u>9,533</u>	<u>8,722</u>
Restructuring costs - Contractual	19	-
Restructuring costs - Non contractual	36	32
Total staff costs	<u>9,588</u>	<u>8,754</u>

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

	2021	2020
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>7</u>

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:

	2021	2020
£50,000 to £60,000 p.a.	3	3
£60,001 to £70,000 p.a.	1	1
£70,001 to £80,000 p.a.	1	2
£80,001 to £90,000 p.a.	1	-
£110,001 to £120,000 p.a.	-	1
£120,001 to £130,000 p.a.	1	-
	<u>7</u>	<u>7</u>

Greenhead College

Notes to the accounts (continued)

6 Staff costs (continued)

Key management personnel compensation is made up as follows:

	2021	2020
	£'000	£'000
Salaries	521	490
Employer's national insurance contributions	63	59
Employer's pension contributions	121	110
Total key management personnel compensation	705	659

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:

	2021	2020
	£'000	£'000
Salaries	121	111
Employer's pension contributions	29	26
	150	137

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

	2021	2020
	£'000	£'000
Principal's basic salary as a multiple of the median of all staff	4.7	4.5
Principal's total remuneration as a multiple of the median of all staff	4.8	4.6

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

	2021	2020
	£'000	£'000
Teaching costs	292	254
Non-teaching costs	1,134	1,022
Premises cost	522	476
	1,948	1,752

Other operating expenses include:

Auditors' remuneration:

Financial statement audit	12	12
Internal audit	5	2
Hire of assets under operating leases	54	54

8 Interest and other finance costs

	2021	2020
	£'000	£'000
On bank loans	24	30
Net interest on defined pension liability (note 18)	87	75
Total	111	105

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 2020	15,789	3,628	19,417
Additions	-	460	460
Disposals	-	-	-
At 31 July 2021	15,789	4,088	19,877
Depreciation			
At 1 August 2020	5,702	3,331	9,033
Charge for the year	435	188	623
Elimination in respect of disposals			-
At 31 July 2021	6,137	3,519	9,656
Net book value at 31 July 2021	9,652	569	10,221
Net book value at 31 July 2020	10,087	297	10,384

The college carries inherited assets at an inherited value of £183,967. 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 £4.6m 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

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	1	1
Other debtors	10	13
Prepayments and accrued income	195	178
Total	206	192

11 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Bank loans and overdrafts	130	121
Trade payables	329	283
Other taxation and social security	169	151
Deferred income - government capital grants	195	157
Other creditors	14	60
Accruals and deferred income	89	51
	926	823

12 Creditors: amounts falling due after one year

	2021	2020
	£'000	£'000
Bank loans and overdrafts	896	991
Deferred income - government capital grants	4,569	4,581
	5,465	5,572

See note 13 for further details

13 Maturity of debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2021	2020
	£'000	£'000
In one year or less	130	121
Between one and two years	130	137
Between two and five years	389	411
In five years or more	377	443
Total	1,026	1,112

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 2021 is £1.026m.

(b) Finance leases

The College has no finance leases as at 31 July 2021.

14 Cash and cash equivalents

	At 1 August 2020	Cash flows	Other changes	At 31 July 2021
	£'000	£'000	£'000	£'000
Cash and cash equivalents	648	1,426	-	2,074
Overdrafts	-	-	-	-
Total	648	1,426	-	2,074

15 Capital and other commitments

	2021 £'000	2020 £'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:

	2021 £'000	2020 £'000
Future minimum lease payments due		
Other		
Not later than one year	54	54
Later than one year and no later than five years	23	77
Later than five years	-	-
Total lease payments due	77	131

17 Events after the reporting period

There are no events after 31 July 2021, 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 2019 and the LGPS 31 March 2019.

Total pension cost for the year

	2021	2020
	£'000	£'000
Teachers' Pension Scheme: contributions	1,161	1,127
Local Government Pension Scheme:		
Contributions paid	337	253
FRS 102 (28) charge	476	328
Charge to the Statement of Comprehensive Income	813	581
Total Pension Cost for Year within staff costs	1,974	1,708

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

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

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

The pension costs paid to TPS in the year amounted to £1,161K (2020: £1,127k).

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 2021 was £432k, of which employer's contributions totalled £337k and employees' contributions totalled £95k. The agreed contribution rates for future years are 21.1% 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 2021	At 31 July 2020
Rate of increase in salaries	3.85%	3.55%
Future pensions increase	2.60%	2.30%
Discount rate for scheme liabilities	1.70%	1.40%
Inflation assumptions (CPI)	2.60%	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 2021	At 31 July 2020
<i>Retiring today</i>		
Males	21.9	21.8
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	22.6	22.5
Females	25.8	25.7

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 2021	Fair value at 31 July 2021 £'000	Estimated split of plan assets at 31 July 2020	Fair value at 31 July 2020 £'000
Equities	80.1%	7,304	77.7%	5,921
Property	3.7%	337	4.3%	328
Government bonds	8.0%	729	10.0%	762
Corporate bonds	4.4%	401	5.0%	381
Cash	2.3%	210	1.6%	122
Other	1.5%	137	1.4%	107
Total market value of assets		9,118		7,620
Actual return on plan assets		1,468		(512)

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

	2021 £'000	2020 £'000
Fair value of plan assets	9,118	7,620
Present value of plan liabilities	(14,521)	(13,963)
Net pensions (liability)/asset	(5,403)	(6,343)

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

	2021 £000's	2020 £000's
Amounts included in staff costs		
Current service cost	794	581
Curtailement cost	19	-
Total	813	581

Greenhead College
Notes to the accounts (continued)

18 Defined benefit obligations (continued)	2021	2020
	£'000	£'000
Amounts included in investment income		
Net interest income	(87)	(75)
	<u>(87)</u>	<u>(75)</u>
Amount recognised in Other Comprehensive Income		
Asset gains/(losses)	1,361	(682)
Liability gains/(losses)	142	(1,565)
Amount recognised in Other Comprehensive Income	<u>1,503</u>	<u>(2,247)</u>
Movement in net defined benefit (liability) during year	2021	2020
	£'000	£'000
Net defined (liability) in scheme at 1 August	(6,343)	(3,693)
Movement in year:		
Current service cost	(794)	(581)
Employer contributions	337	253
Curtailments and settlements	(19)	-
Net interest on the defined (liability)	(87)	(75)
Actuarial gain/(loss)	1,503	(2,247)
Net defined benefit (liability) at 31 July	<u>(5,403)</u>	<u>(6,343)</u>
Asset and Liability reconciliation	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	13,963	11,721
Current service cost	794	581
Interest cost	194	245
Contributions by Scheme participants	95	84
(Gains)/losses on changes in financial assumptions	(142)	1,565
Estimated benefits paid	(402)	(233)
Curtailments and settlements	19	-
Defined benefit obligations at end of period	<u>14,521</u>	<u>13,963</u>

Greenhead College

Notes to the accounts (continued)

18 Defined benefit obligations (continued)

	2021 £'000	2020 £'000
Changes in fair value of plan assets		
Fair value of plan assets at start of period	7,620	8,028
Interest on plan assets	107	170
Return on plan assets	1,361	(682)
Employer contributions	337	253
Contributions by Scheme participants	95	84
Estimated benefits paid	(402)	(233)
Fair value of plan assets at end of period	<u>9,118</u>	<u>7,620</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 £2,683 (2020: £1,634).

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

20 Amounts disbursed as agent - Learner support funds

	2021 £'000	2020 £'000
Carried forward from previous year	12	32
ESFA grants - Bursaries grants	<u>203</u>	<u>334</u>
	215	366
Disbursed to students	(163)	(338)
Administration costs (5% of bursary grant)	<u>(10)</u>	<u>(16)</u>
Balance unspent as at 31 July, included in creditors	<u>42</u>	<u>12</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.