Greenhead College

Report and Financial Statements

For the year ended 31 July 2023

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Reference and Administrative Details
For the Year Ended 31 July 2023

Key Management Personnel, Corporation and Professional Advisors

Key Management Personnel

Key management personnel are defined as members of the College Senior Leadership Team and were represented by the following in 2022-23:

Simon Lett	- Principal; Accounting Officer
Mo Bunter	- Deputy Principal
John Blake	- Director of Finance and Resources (Resigned December 2022)
Mark Jones	- Director of Strategic Operations and Delivery (Appointed February 2023, Resigned October 2023)
Usman Anwar	- Assistant Principal, Student Support and Welfare
Kate Abel	- Assistant Principal, Student Support and Welfare
Mark Mitchell	- Assistant Principal, Curriculum, Quality and Student Outcomes
Tom Rowley	- Assistant Principal, Curriculum, Quality and Student Outcomes

Corporation

A full list of Governors, the Committees served on, and positions held is given on pages 19-20 of these financial statements.
Sharon Roper acted as Clerk to the Corporation throughout the period.

Professional Advisors

Financial Statement Auditors	Murray Smith LLP Chartered Accountants & Statutory Auditor Darland House 44 Winnington Hill Northwich Cheshire, CW8 1AU
Internal Auditors	Audit One Tanfield Lea Business Centre Tanfield Lea Stanley Durham, DH9 9DB
Bankers	Barclays Bank Market Place Huddersfield, HD1 2AA
Solicitors	Schofield Sweeney 72 New Road Huddersfield, HD1 2HG

Strategic Report
For the Year Ended 31 July 2023

Objectives and Strategy

The Governors of the Corporation present their report and audited financial statements for the year ending 31 July 2023. The key objective for the Governors was to offer to students from Kirklees and the surrounding area high quality A Level (or equivalent) 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 1973 and as such is subject to financial supervision by the Education and Skills Funding Agency (ESFA).

Purpose and Principles of Greenhead College

<u>Purpose:</u>

Be exceptional.

<u>Principles</u>:

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.

Strategic Report
For the Year Ended 31 July 2023

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.

Aims of Greenhead College – 2023-30
In order to fulfil its principles and purpose for the period 2023-30, 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 and inclusive teaching, extracurricular activities and pastoral support for students, enabling them to progress to positive destinations

- To embed IT in the operation of the College, its facilities, and teaching and learning

- 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 2800 from 2027-28, once major building work has been completed

- To be financially stable in the period 2023-30 and to plan for future financial sustainability beyond this point

- To enhance its profile locally and nationally by engaging further with key stakeholders, local, regional and national initiatives, and external partners.

The key planning assumptions underpinning Greenhead College's Strategic Plan for 2023-30 centre on the following five themes:

- <u>Quality of education</u>: 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

Strategic Report
For the Year Ended 31 July 2023

- Support for students and staff: the importance of support systems in College to enable all students the opportunity to achieve their full potential, including those with 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 expected growth in the post-16 population over the period 2023-30, offers opportunities to further increase capacity to 2800 students on the main site in the second half of this decade and additional expansion either through the opening of a 16-19 free school or construction of an off-site build (or both)

- 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 in the second half of the decade, should there be no further increase beyond the current funding level, or insufficient additional funding to support increased pension costs.

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

Strategic Report
For the Year Ended 31 July 2023

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
- Strategies for lesson observation, deep dives, learner voice and remote learning
- Individual College policies
- College risk register
- Capital development risk register
- COVID-19 risk register
- FE Commissioner recommendations
- Annual Strategic Conversation with the ESFA and FE Commissioner
- Specific papers and executive summaries for Corporation and Committee meetings, and SLT meetings
- Minutes of SLT meetings and minutes of meetings with middle leaders.

Strategic Report
For the Year Ended 31 July 2023

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

- Annual setting, monitoring and review of curriculum and academic Key Performance Indicators (KPIs) by the Corporation
- Annual setting, monitoring and review of senior post-holder and SLT performance management targets by the Chair of Governors 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 annually 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
- Detailed exploration by the Corporation and relevant Committee of proposals/plans connected with the replacement of the Laingspan buildings, improved accommodation for sport, drama and music, proposals for a free school and offsite capital expansion
- Governor Link Visits and reports.

DEVELOPMENT AND PERFORMANCE OF THE COLLEGE IN 2022-23

The College was last inspected by Ofsted in March 2022 – its first full inspection since 2007. The College retained its 'Outstanding' status and no areas of weakness were identified in Ofsted's report. This reinforces the College's status and reputation as being a leading provider of A Levels, both locally and nationally.

As one of the first 50 schools and colleges to benefit from Department for Education investment to improve the condition of its facilities, building work continued in earnest throughout the 2022-23 academic year. This has involved the replacement of the 1960s science block to erect a new, four-storey teaching block for Biology, Chemistry, Politics and Psychology on the site of the former car park. This is due to open in November 2023. A new car park has been reconstituted on the site of the College's all-weather pitch, with this being reformed at the back of Cooksey building in 2024. The College has had to use external sporting facilities due to the loss of its all-weather pitch since April 2022.

Strategic Report
For the Year Ended 31 July 2023

Through the replacement of the science block, the project will provide the College with a net zero carbon building equipped with solar panels, living roof, surface water attenuation tanks, hard surface drainage, efficient air source heat pumps, and, in addition, provide 16 electric charging points for staff and visitor parking. The project is aiming to complete by early 2025.

During the year, the College's sustainability lead worked with senior staff to produce a strategic plan specifically for environmental sustainability, with the vision being a year-on-year reduction in the College's carbon footprint in order to reach net zero by 2038. As the aim is for the College to be recognised locally and nationally for its leadership in addressing climate change, this will be a key feature of the College's work in the coming years. Additionally, the continual development of staff's IT skills has been a key feature of the year and will remain a prominent theme in future years through the College's strategic plan for IT.

This year formal A Level examinations took place, with national performance levels returning to pre-COVID-19 levels in 2019. Unlike last year, students were not given 'advance information' by the examination boards in recognition of the fact that their learning was disrupted by the pandemic, this being despite the fact they did not sit public examinations at GCSE level. Therefore, a key feature of the year has been the support given to first-year students to bridge the gap between GCSE and A Level study, and exam preparedness for the second-years in the run-up to their formal A Level exams in May-June 2023. The College used the Tuition Support Fund made available by the Department for Education to assist with this.

Safeguarding and support for students' mental health and wellbeing have been prominent themes in the 2022-23 academic year. The College's restructured safeguarding team saw the Safeguarding Officer triaging issues to key members of the pastoral team. Additionally, the College continued with its 'mental and physical framework', combining the curriculum and pastoral strands of the College's work in an all-encompassing, holistic approach.

The College submitted two applications to the Department for Education in 2022-23. The first was to open a 16-19 Free School with a STEM focus. The second was to expand provision for labs and classrooms offsite through an application to the Post-16 Capacity Fund. The College was unsuccessful in its Free School application. Although the Capacity Fund bid was approved by DfE, the College had to withdraw due to the costs involved with the project. The College's two applications link to a key theme for the period 2023-30 – the need for a robust, sustainable long-term estates plan and financial forecast in the light of future building development work (potentially on and off-site) and further demands on future budgets, e.g. pay expenditure.

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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 2023, the College employed 270 staff, of which 8 were Senior Leadership staff, 139 were teaching and 123 support staff.

On the 2022-23 Individualised Learner Record (ILR), the College had 2,722 students enrolled and will be funded for this number in 2023-24.

The College had total net assets worth £9.5m (21-22 £6.5m).

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 received an Ofsted inspection in 2022 which resulted in an 'Outstanding' judgment in all areas.

Stakeholders

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

- Students and their families
- Staff and Governors
- The ESFA
- Local Partner and Partner Schools
- Kirklees Local Authority
- The local community including local businesses
- 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.

Financial Results

The College set a budget for 2022-23 to achieve a surplus £2.4m and to maintain the College's cash contingency reserve. The College generated a surplus (including LGPS pension costs) of £1.6m against a total income of £15.9m (2021/22: surplus of £634k including pension and restructuring costs against total income of £14.0m). The surplus was lower than expected given the necessity to undertake remedial work to address key areas of the College estate and its infrastructure which had come to light

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in the 2022-23 year. Excluding FRS102 and pension service and finance costs and restructuring costs, there was an operating surplus of £1.73m (2021-22: £1.18m).

The College's policy is to maintain a minimum cash contingency reserve which 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 bank cash holding was £4.0m and cash investments £1.4m, total equivalent to 6 times of the amount of monthly staff salaries.

The College had £4.7m of net current assets (2021/22 £2.6m).

The Local Government Pension Scheme liability fell by £1.2m during the financial year from a £737k liability to a £477k asset as a result of an increase in the discount rate applied to future liabilities (due to increases in market interest rates).

The College's Financial Health is currently assessed as Outstanding by the ESFA.

Reserves
The College accumulated general reserves of £9.0m excluding pension assets of £477k (2021-22: £7.3m excluding pension liabilities of £737k) and a cash/cash investment balance of £5.4m (2021-22 £3.4m). 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 2022-23 the College was funded for 2,722 students and received ESFA funding of £15.0m (2021-22: £13.2m). The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2022/23, ESFA provided 99.0% of the College's total income (2021-22: 97.4%).

Future prospects
ESFA funding for the College in 2023-24 has been confirmed at £15.5m. The increase in funding in 2023-24 is as a result of an increase in funding rates. Cash reserves will be retained for future planned capital works at the College.

Although funding has not been announced beyond 2023-24, at current funding levels the College is forecasting a surplus in each of the next two years and an Outstanding Financial Health assessment.

Strategic Report
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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 together with a Reserves Policy.

In order to maximise interest on its reserves, some reserves are placed on a Cash Platform for various lengths of time according to cash flow requirements.

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 2022-23 there was an increase in cash/cash investments of £2.0m.

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 2022-23 this requirement was met. 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 2022-23.

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 for 2023-30, a comprehensive annual review and regular interim reviews of the risks to which the College is exposed are undertaken. These reviews identify 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.

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Additionally, 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 and Capital Development Committees, and subsequently by the full Corporation. The risk register was further developed in 2022-23 to prioritise the key risks using a consistent scoring system; to identify the likelihood of those risks occurring and their potential impact on the College; to specify the actions being taken to reduce and mitigate the risks; and to state what would happen should there be a failure to control the risks.

The College also maintains a Disaster Management Plan, which is regularly reviewed and updated by the Senior Leadership Team who test a number of the principal risks identified in the register on an annual basis.

The principal risks for the College during 2022-23 were identified as follows:
Teaching and learning:

- Teaching and Learning are not supported by adequate/reliable IT resources/information
- The College receives a poor Ofsted report leading to fewer applications, and financial and reputational loss
- The knowledge and expertise of staff becomes outdated.

Financial:

- Failure to maintain financial stability, including ESFA funding/student numbers reduce and/or income does not keep pace with inflation and increased staff and utility costs
- Strategic planning is not challenged and not tied into financial planning
- The effect on the College of losing key staff, both long term and/or permanently
- High interest rates make loans unaffordable
- Loan covenants are not adhered to
- The College is vulnerable to fraud and financial loss.

Competition:

- Increase in competition leads to loss in the College's competitive edge.

Estates:

- Significant/unexpected events/disasters occur
- Banned substances in College lead to reputational harm and a downturn in results
- The College is vulnerable to (armed) intruders on site and possible harm to staff and students
- Failure to safeguard College assets and people leads to injury, damage and/or theft
- The College is vulnerable to cyberattacks and ransomware, leading to IT network being unavailable for days
- The College's accommodation is insufficient or inappropriate for its needs.

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For the Year Ended 31 July 2023

- Repairs and maintenance are not carried out in timely manner.
- Capital development is not planned or costed.

Capital projects:
- The new building impacts negatively on College life, is not correctly managed and is not sufficient for College use. Cost of extras are not factored in.

Regulatory
- The College does not comply with Data Protection, ESFA and other regulations
- Breach of exam rules and loss of papers and course work leads to fines, ability to host exams and reputational loss
- Failure to comply with Statutory Instruments and Articles of Association leads to operational and financial irregularity.

Student support
- Student retention and achievement fall, leading to reduced numbers and fewer applications
- The College does not have adequate Safeguarding/Prevent measures in place.
- Students do not have access to adequate support
- Students are unsupported in their studies due to inadequate transport links.

In addition to the above, the College maintained its own separate risk register for the Department for Education building project during 2022-23. This is scrutinised by the Audit and Risk and Capital Development Committees of the Governing Body on a regular basis, and is also overseen by the Corporation.

Strategic Report
For the Year Ended 31 July 2023

Delivery against Key Performance Indicators

The College set a number of KPIs for academic performance in 2022-23. These are set out below with the outcome of each KPI in the right-hand column:

WHOLE COLLEGE: NF = National Figure	**KPI 2022-23**	**ACTUAL 2022-23**
Pass rate % (NF: 97.2%)	Between 99.0 – 99.5%	**98.2**
High grades % (NF: 52.7%)	Between 63.5 – 64.5%	**59.7%**
Retention rate % (NF: 95.0%)	Between 95.0 – 95.5%	**1417/1496 = 94.7%**
Retained and Assessed rate % (NF 94.3%)	Between 95.0 – 95.5%	**1417/1496 = 94.7%**
Attendance %	95.0%	**93.0% (94.7% – A1/ 91.1% A2)**
Student satisfaction %	Between 92.5 - 93.5%	**94.1%**
Staff absence %	Support – <4.0% Teaching – <2.0% Overall – <3.0%	**Support – 3.6% Teaching – 2.4% Overall – 2.8%**

Strategic Report
For the Year Ended 31 July 2023

Financial Indicators

Financial Indicator	Target for 2022-23	Actual for 2022-23
Teaching staff costs a %age of total staff costs	76.1%	**74.1%**
Payroll costs as a %age of total income	67.0%	**67.5%**
Non-ESFA income as a %age of total income	1.7%	**2.0%**
ESFA Financial Health	Outstanding	**Outstanding**
ESFA Financial Health	290	**290**
Cash in hand days	35	**110**
End of year surplus (excluding LGPS costs)	£2.2m	**£1.73m**

Student Numbers

On day 42 in October 2022, the College census day, the College had 2,722 students on roll.

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:

Strategic Report
For the Year Ended 31 July 2023

- High-quality teaching
- Excellent results and value added 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.

Strategic Report
For the Year Ended 31 July 2023

- 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 agreed by the Corporation annually and published on the College web site
- Appeals against a decision not to offer a place are made to the Deputy 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)	123.84 teaching staff 78.83 support staff

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

Strategic Report
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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 members of the Corporation on 4 December 2023 and signed on its behalf by:

DocuSigned by:

Richard Armstrong

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R Armstrong
Chair of Governors

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

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 2022 to 31 July 2023 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 2023. 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 2022-23, 34 meetings were held:

- Full Corporation: 3/10/22; 5/12/22; 30/1/23; 20/3/23; 15/5/23; 3/7/23
- Quality and Standards: 12/9/22; 12/12/22; 25/1/23; 27/3/23; 19/6/23
- Finance and Estates: 10/10/22; 14/11/22; 20/2/23; 27/4/23; 12/6/23
- Capital Development: 21/9/22; 19/10/22; 23/11/22; 11/1/23; 1/3/23; 19/4/23; 17/5/23; 7/6/23; 5/7/23; 16/8/23
- Audit and Risk: 26/9/22; 14/11/22; 2/2/23; 24/4/23
- Search and Governance: 31/10/22; 6/2/23; 22/5/23
- Remuneration: 3/7/23

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

Governor membership & attendance data:

Governor	Appointed	TOO-yrs	TOO-end	Status	Cttees	Attendance
Adrian Barrass	May 2022	4	May 2026	External	F&E;Q&S CDC;Rem	100%
Alison Jones	Jul 2020	4	Jul 2024	External	S&G; A&R;Rem	64%
Anthony Hurley	May 2023	4	May 2027	External		50%
Governor	Appointed	TOO-yrs	TOO-end	Status	Cttees	Attendance
Chris Kneale	Apr 2021	4	Mar 2025	Staff	F&E; A&R	93%
Connie Laing	Dec 2022	1	Dec 2023	Associate	F&E; S&G	57%
Craig Shannon	Jul 2017	4	Jul 2025	External	Q&S;F&E; CDC;Rem	93%
Edward Wynn	Dec 2022	1	Dec 2023	Associate	Q&S	83%
Elliot Gill	Dec 2021	4	Nov 2025	External	A&R; CDC	45%
Emmanuel Matuka	Mar 2022	1	Mar 2023	Student	CDC	56%
Haris Khan	Mar 2022	1	Mar 2023	Student	A&R	29%
Heather Roebuck	May 2022	4	May 2026	External	Q&S; S&G	57%
Ian Lavan	Dec 2020	3	Jan 2023	Parent	F&E; S&G	40%
James Reevell	Dec 2020	4	May 2023	Staff	Q&S; CDC	57%
John Holroyd	Dec 2019	4	Dec 2023	External	F&E;Rem; CDC	91%
Jon Walker	May 2022	4	May 2026	External	Q&S; S&G	79%
Kasim Sheikh	Dec 2020	3	Dec 2023	Parent	Q&S	50%
Lisa Wilkinson	Feb 2021	4	Feb 2025	External	F&E;Rem; A&R	64%
Marjan Khatib	Mar 2023	1	Mar 2024	Student	S&G	100%
Mark O'Connor	May 2015	4	May 2023	External	A&R	78%

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

Michelle Lister	May 2019	4	May 2023	External	A&R	22%
Mohammed Usman	Jul 2022	1	Jul 2023	Associate	A&R; F&E	40%
Reuben Byfield	Mar 2023	1	Mar 2024	Student	CDC	86%
Richard Armstrong	Dec 2017	4	May 2026	External	Q&S; F&E; CDC; S&G; A&R;Rem	97%
Richard King	Oct 2019	2	Feb 2024	Associate	CDC; A&R	85%
Simon Lett	Sep 2016	ongoing	ongoing	ex-officio	Q&S;Rem; F&E; CDC; S&G; A&R-obs	86%
Stuart Irving	Feb 2020	4	Feb 2024	External	Q&S; A&R;CDC; S&G;Rem	54%
Victoria Wright	Feb 2021	4	Sep 2022	Associate	CDC; S&G	0%

Overall attendance by Governors at Corporation and Committee meetings was **65%**.

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, 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.

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

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.

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.

Corporation Performance

The corporation carried out a self-assessment of its own performance for the year ended 31 July 2023. The governing body is committed to development and held four update briefings throughout the year before full governing body meetings.

The governing body has considered DfE guidance on board reviews and has plans to commission an external review during academic year 2023-24 but did not carry out a formal review in 2022-23.

Search and Governance Committee

The Search and Governance Committee comprises a Chair, Vice-Chair and six 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

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

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.

Attendance –
The Audit & Risk Committee met on four occasions (26/9/22, 14/11/22, 27/2/23 and 24/4/23).
Committee member attendance records are as follows:
Alison Jones – 50%
Chris Kneale – 100%
Elliot Gill – 0%
Haris Khan – 33%
Lisa Wilkinson – 100%
Mark O'Connor – 50%
Michelle Lister – 0%
Mohammed Usman – 0%
Richard King – 100%
Stuart Irving – 100%

Finance and Estates Committee
The Finance and Estates Committee comprises nine 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 2021/22, 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, so as to consider in more detail the options for such a development. This sub-committee continued to meet in 2022/23 between meetings of the Finance and Estates Committee in order to

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

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 nine 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 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 2023 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 2023 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 time 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.

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

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 risk from Cyber attacks 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 ILR 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 2023. The Audited Financial Accounts of the College were sent to the ESFA at the end of 2022 and a copy placed on the College website.

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

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 2022/23 and up to the date of the approval of the financial statements were Budgetary Control, Cyber Security, ALPS Assurance Review, Applications and Enrolments and Capital Risk Project review.

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

Review of effectiveness

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

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

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

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

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the Senior Leadership Team and internal audit and taking account of events since 31 July 2023.

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*".

Statement of Corporate Governance and Internal Control
For the Year Ended 31 July 2023

Approved by order of the members of the Corporation on 4 December 2023 and signed on its behalf by:

DocuSigned by:
Richard Armstrong
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R Armstrong
Chair of Governors

DocuSigned by:
Simon Lett
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S Lett
Accounting Officer

Statement of Regularity, Propriety and Compliance
For the Year Ended 31 July 2023

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

I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the Corporation's grant funding agreements and contracts with ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

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

DocuSigned by:

Simon Lett

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S Lett
Accounting Officer
4 December 2023

Statement of the chair of governors

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

DocuSigned by:

Richard Armstrong

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R Armstrong
Chair of Governors
4 December 2023

Statement of Responsibilities of the Members of the Corporation For the Year Ended 31 July 2023

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.

Statement of Responsibilities of the Members of the Corporation
For the Year Ended 31 July 2023

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 4 December 2023 and signed on its behalf by:

DocuSigned by:

Richard Armstrong

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R Armstrong
Chair of Governors

Independent Auditor's Report on the Financial Statements to the Members of Greenhead College

Opinion

We have audited the financial statements of Greenhead College for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income and Expenditure, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), and the Accounts Direction 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 to 2023 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

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

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

Independent Auditor's Report on the Financial Statements to the Members of Greenhead College

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

Other information

The members of the Corporation are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Independent Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 Corporation.

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 in the Strategic Report, the Corporation 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 Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report on the Financial Statements to the Members of Greenhead College

In preparing the financial statements, the Corporation 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 Corporation 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 an Independent Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 compliance matters to identify any instances of non-compliance with laws and regulations
- 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.

Independent Auditor's Report on the Financial Statements to the Members of Greenhead College

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 Independent Auditor's Report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date 4 December 2023

Independent 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 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 2022 to 31 July 2023 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 is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the 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 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Independent Reporting Accountant's Assurance Report on Regularity

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 includes:

- review of evidence supporting the College's Regularity Self-Assessment; and
- review of the College's expenditure during the year.

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 2022 to 31 July 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:

Murray Smith LLP

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Murray Smith LLP **Date 4 December 2023**

Chartered Accountants and Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire CW8 1AU

Statement of Comprehensive Income and Expenditure
for the year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
INCOME			
Funding body grants	2	15,536	13,619
Tuition fees and education contracts		-	-
Other grants and contracts		-	-
Other income	3	288	362
Investment income	4	49	1
Total income		**15,873**	**13,982**
EXPENDITURE			
Staff costs	5	10,732	10,184
Other operating expenses	6	2,813	2,376
Depreciation	8	684	673
Interest and other finance costs	7	64	115
Total expenditure		**14,293**	**13,348**
Surplus/(deficit) before other gains and losses		**1,580**	**634**
Loss on disposal of assets		-	-
Surplus/(deficit) before tax		**1,580**	**634**
Taxation		-	-
Surplus/(deficit) for the year		**1,580**	**634**
Actuarial gain/(loss) in respect of pensions schemes	18	1,367	5,211
Total Comprehensive Income and Expenditure for the year (Unrestricted)		**2,947**	**5,845**

The statement of comprehensive income and expenditure is in respect of continuing activities.

Statement of Changes in Reserves
for the yead ended 31 July 2023

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 31 July 2021	**525**	**184**	**709**
Surplus/(deficit) from the income and expenditure account	634	-	634
Other comprehensive income	5,211	-	5,211
Transfers between revaluation and income and expenditure reserves	55	(55)	-
	5,900	(55)	5,845
Balance at 31 July 2022	**6,425**	**129**	**6,554**
Surplus/(deficit) from the income and expenditure account	1,580	-	1,580
Other comprehensive income	1,367	-	1,367
Transfers between revaluation and income and expenditure reserves	55	(55)	-
	3,002	(55)	2,947
Balance at 31 July 2023	**9,427**	**74**	**9,501**

Balance Sheet
as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Non current assets			
Tangible assets	8	**9,785**	**9,883**
Current assets			
Trade and other receivables	9	393	243
Investments	10	1,438	1,426
Cash and cash equivalents		4,002	1,973
		5,833	**3,642**
Creditors – amounts falling due within one year	11	(1,177)	(1,068)
Net current assets		**4,656**	**2,574**
Total assets less current liabilities		**14,441**	**12,457**
Creditors – amounts falling due after more than one year	12	(5,417)	(5,166)
Provisions			
Defined benefit pension scheme asset/(obligation)	14	477	(737)
Total net assets		**9,501**	**6,554**
Unrestricted Reserves			
Income and expenditure account		9,427	6,425
Revaluation reserve		74	129
Total unrestricted reserves		**9,501**	**6,554**

The financial statements on pages 37 to 62 were approved and authorised for issue by the Corporation on 4 December 2023 and were signed on their behalf by:

DocuSigned by:
Richard Armstrong
BEE16A89CCDF44C...

R Armstrong
Chair of Governors

DocuSigned by:
Simon Lett
7BAE381CE586406...

S Lett
Accounting Officer

Statement of Cash Flows
for the year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		1,580	634
Adjustment for non-cash items			
Depreciation		684	673
Deferred capital grants released to income		(175)	(195)
(Increase)/decrease in stocks		-	2
(Increase)/decrease in debtors		(150)	(37)
Increase/(decrease) in creditors due within one year		117	162
Increase/(decrease) in creditors due after one year		-	-
Pensions costs less contributions payable		153	545
Adjustment for investing or financing activities			
Investment income		(49)	(1)
Interest payable		47	26
Loss on sale of fixed assets		-	-
Net cash flow from operating activities		**2,207**	**1,809**
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Investment income		49	1
Payments made to acquire fixed assets		(586)	(335)
		(537)	(334)
Cash flows from financing activities			
Interest paid		(47)	(26)
Withdrawal/(deposit) of investments		(12)	(1,426)
Capital grants received		540	-
Repayment of amounts borrowed		(122)	(124)
		359	(1,576)
Increase/(decrease) in cash and cash equivalents in the year		**2,029**	**(101)**
Cash and cash equivalents at the beginning of the year	**15**	**1,973**	**2,074**
Cash and cash equivalents at the end of the year	**15**	**4,002**	**1,973**

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies

Statement of accounting policies

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 2022 to 2023 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.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic 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 £780k with Barclays Bank on terms negotiated in 2015 and is secured by a charge on College land and buildings. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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.

Basis of accounting

These 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.

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies (continued)

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. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

The recurrent grants from the ESFA represent the funding allocations attributable to the current financial year and are credited directly to the statement of comprehensive income and expenditure. Recurrent grants are recognised in line with planned activity.

Non-recurrent grants from the funding bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment income

All income from short-term deposits is credited to the statement of comprehensive income and expenditure in the period in which it is earned on a receivable basis.

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies (continued)
Agency arrangements
The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. 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.

Accounting for post-employment benefits
Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Second Pension.

Teachers' Pension scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the 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 there is insufficient information available to use defined benefit accounting. 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.

West Yorkshire Pension Fund (LGPS)

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

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

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

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies (continued)

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Tangible Fixed Assets

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

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

Freehold land is not depreciated as it is considered to have an infinite useful life.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the statement of financial activities 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 as 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.

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

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.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance leases. Assets held under finance leases are included in tangible assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Inventories

Inventories are stated at the lower of their cost and net realisable value.

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 governing body tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Governing body 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.

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies (continued)

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

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

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

Provisions and contingent liabilities

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

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

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies (continued)

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit asset 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 asset. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions assets and liability at 31 July 2023. 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 asset or

Notes to the accounts
For the Year Ended 31 July 2023

1. Accounting policies (continued)

liability. The College has recognised the pension asset calculated by the actuaries on the basis that this will impact the level of contributions in the future.

2. Funding body grants

	2023	2022
	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency - 16-18	14,622	12,756
Specific grants		
Education and Skills Funding Agency - 16-18	226	230
Education and Skills Funding Agency – capital grants	66	63
Teacher pension scheme contribution grant	447	375
Releases of government capital grants	175	195
Total	**15,536**	**13,619**

3. Other income

	2023	2022
	£'000	£'000
Catering	152	197
Other income generating activities	-	1
Miscellaneous income	136	164
Total	**288**	**362**

4. Investment income

	2023	2022
	£'000	£'000
Other interest receivable	49	1
Total	**49**	**1**

Notes to the accounts
For the Year Ended 31 July 2023

5. Staff costs

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

	2023	2022
	No.	**No.**
Teaching staff	147	142
Non-teaching staff	123	122
	270	**264**

Staff costs for the above persons

	2023	2022
	£'000	**£'000**
Wages and salaries	7,944	7,346
Social security costs	792	736
Other pension costs	1,842	2,026
Apprentice levy	24	22
Payroll sub total	**10,602**	**10,130**
Contracted out staffing services	22	54
	10,624	**10,184**
Restructuring costs - contractual	-	-
Restructuring costs - non contractual	108	-
Total staff costs	**10,732**	**10,184**

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 comprises the Principal, a Deputy Principal, the Director of Finance and Resources, two Assistant Principals, Student Support and Welfare and two Assistant Principals, Curriculum, Quality and Student Outcomes.

Emoluments of Key Management Personnel, Accounting Officer and other higher paid staff

	2023	2022
	No.	**No.**
The number of key management personnel including the Accounting Officer was:	8	7

Notes to the accounts
For the Year Ended 31 July 2023

5. Staff costs (continued)

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:

	Key management personnel		Other staff	
	2023	**2022**	**2023**	**2022**
	No.	**No.**	**No.**	**No.**
£30,001 to £40,000 p.a.	2	-	-	-
£50,001 to £60,000 p.a.	-	1	-	-
£60,001 to £70,000 p.a.	3	3	-	-
£70,001 to £80,000 p.a.	1	1	-	-
£80,001 to £90,000 p.a.	1	1	-	-
£120,001 to £130,000 p.a.	-	1	-	-
£130,001 to £140,000 p.a.	1	-	-	-
	8	7	-	-

Key management personnel compensation is made up as follows:

	2023	**2022**
	£'000	**£'000**
Salaries	561	532
Pension contributions	131	125
Total emoluments	**692**	**657**

There were no amounts due to any key management 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:

	2023	**2022**
	£'000	**£'000**
Basic pay	134	124
Pension contributions	32	29
	166	153

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

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

Notes to the accounts
For the Year Ended 31 July 2023

5. Staff costs (continued)

Relationship of Principal pay and remuneration expressed as a multiple

	2023 £'000	2022 £'000
Principal's basic salary as a multiple of the median of all staff	4.5	4.5
Principal's total remuneration as a multiple of the median of all staff	4.6	4.6

Compensation for loss of office paid to former key management personnel

	2023 £'000	2022 £'000
Compensation paid to the former post-holder	-	-
Estimated value of other benefits, including provisions for pension benefits	87	-

The severance payment was approved by the College's Remuneration Committee, prior to the reclassification of the College from being classed as part of the public sector by the ONS.

This figure is now above the level that public bodies can now authorise with ESFA approval. However, this was approved and paid before the ONS reclassification, specifically the initial agreement with the postholder in question was sent on 1 July 2022 and signed on 8 August 2022. This was prior to the reclassification of Colleges into the public sector on 29 November 2022.

Severance payments for all staff

The college paid 3 severance payments in the year, disclosed in the following bands:

	2023 £'000	2022 £'000
0 - £25,000	2	-
£25,001 - £50,000	-	
£50,001 - £100,000	1	-

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

Notes to the accounts
For the Year Ended 31 July 2023

6. Other operating expenses

	2023	2022
	£'000	£'000
Teaching costs	343	288
Non-teaching costs	1,631	1,458
Premises costs	839	630
Total	**2,813**	**2,376**

Other operating expenses include:

	2023	2022
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	13	12
Other services provided by the financial statements auditor	3	2
Internal audit fees	9	17
Hire of assets under operating leases	26	7

7. Interest and other finance costs

	2023	2022
	£'000	£'000
On bank loans, overdrafts and other loans	47	26
Net interest on defined pension liability (note 18)	17	89
Total	**64**	**115**

Notes to the accounts
For the Year Ended 31 July 2023

8. Tangible fixed assets

	Land and buildings freehold	Assets under construction	Equipment	Total
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**
At 1 August 2022	15,789	111	4,312	20,212
Additions	209	-	377	586
Disposals	-	-	-	-
At 31 July 2023	**15,998**	**111**	**4,689**	**20,798**
Depreciation				
At 1 August 2022	6,583	-	3,746	10,329
Charge for period	426	-	258	684
Eliminated in respect of disposals	-	-	-	-
At 31 July 2023	**7,009**	**-**	**4,004**	**11,013**
Net book value at 31 July 2022	9,206	111	566	9,883
Net book value at 31 July 2023	**8,989**	**111**	**685**	**9,785**

The College carries inherited assets at an inherited value of £129,125. The assets were valued on incorporation and not updated since. The historic net book value of these assets is nil.

Land and buildings with a net book value of £4.4m 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.

Notes to the accounts
For the Year Ended 31 July 2023

9. Trade and other receivables

Amounts falling due within one year:	**2023**	**2022**
	£'000	**£'000**
Trade receivables	30	7
Other debtors	14	9
Prepayments and accrued income	349	227
Total	**393**	**243**

10. Current investments

	2023	**2022**
	£'000	**£'000**
Short term deposits	1,438	1,426

11. Creditors: amounts falling due within one year

	2023	**2022**
	£'000	**£'000**
Bank loans and overdrafts	122	130
Trade payables	238	89
Other taxation and social security	195	187
Accruals and deferred income	232	280
Other creditors	215	207
Deferred income – government capital grants	175	175
	1,177	**1,068**

12. Creditors: amounts falling due after one year

	2023	**2022**
	£'000	**£'000**
Bank loans and overdrafts	658	772
Deferred income – government capital grants	4,759	4,394
	5,417	**5,166**

Notes to the accounts
For the Year Ended 31 July 2023

13. Maturity of Debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2023	2022
	£'000	£'000
In one year or less	122	130
Between one and two years	122	130
Between two and five years	536	642
In five years or more	-	-
	780	**902**

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%.

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 2023 is £0.78m.

(b) Finance leases

The College has no finance leases as at 31 July 2023.

14. Provisions

	Defined benefit obligations £'000
At 1 August 2022	737
Expenditure in the period	(178)
Additions in the period	(1,036)
At 31 July 2023 (asset)	**(477)**

Defined benefit obligations relate to the (asset)/liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 18.

Notes to the accounts
For the Year Ended 31 July 2023

15. Cash and cash equivalents

	At 1 August 2022 £'000	Cash flows £'000	Other changes £'000	At 31 July 2023 £'000
Cash and cash equivalents	1,973	2,029	-	4,002
Overdrafts	-	-	-	-
Total	**1,973**	**2,029**	**-**	**4,002**

16. Capital and other commitments

	2023 £'000	2022 £'000
Commitments contracted for at 31 July	366	-

The DfE is fully funding new classroom and social area blocks in College which will be completed in 2025.

17. Lease obligations

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

Future minimum payments due	2023 £'000	2022 £'000
Other		
Not later than one year	53	23
Later than one year and not later than five years	68	-
Later than five years	32	-
	153	23

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.

Notes to the accounts
For the Year Ended 31 July 2023

18. Defined benefit obligations (continued)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2016 and of the LGPS 31 March 2022.

Total pension cost for the year

		2023		2022
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme : contributions paid		1,310		1,244
Local Government Pension Scheme:				
Contributions paid	483		326	
FRS 102 (28) charge	49		456	
Charge to Statement of Comprehensive Income		532		782
Total pension cost for the year within staff costs		**1,842**		**2,026**

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teacher's Pensions 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.

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.

Notes to the accounts
For the Year Ended 31 July 2023

18. Defined benefit obligations (continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education in October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates from 1 April 2024 set at 28.68% of pensionable pay (including a 0.08% administration levy), compared to the current rate of 23.68%
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The pension costs paid to TPS in the year amounted to £1,310k (2022: £1,244k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx)

Local Government Pension Scheme

The scheme available to non-teaching staff is the West Yorkshire Pension Fund (WYPF). The total pension contribution made by the College to the Scheme for the year ended 31 July 2023 was £595k of which employer's contributions totalled £483k and employee's contributions totalled £112k. The agreed employee contribution rates for future years are a tiered system of rates related to levels of pensionable pay – these currently range from 5.5% to 16.5%. The agreed employer contribution rate from April 2020 to March 2023 is 19.7%. The next triannual valuation is due in March 2023.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.85%	3.85%
Future pensions increases	2.60%	2.60%
Discount rate for scheme liabilities	5.00%	3.50%
Inflation assumption (CPI)	2.60%	2.60%

Notes to the accounts
For the Year Ended 31 July 2023

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 2023 Years	**At 31 July 2022** Years
Retiring today		
Males	21.0	21.7
Females	24.1	24.6
Retiring in 20 years		
Males	22.2	22.5
Females	25.1	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 2023 **%**	**Fair value at 31 July 2023** **£'000**	**Estimated split of plan assets at 31 July 2022** **%**	**Fair value at 31 July 2022** **£'000**
Equity instruments	80.1	8,209	79.3	7,714
Debt instruments	3.3	338	12.7	1,236
Property	12.7	1,301	4.0	389
Cash	3.9	400	4.0	389
Total fair value of plan assets	**100**	**10,248**	**100**	**9,728**
Actual return on plan assets				**538**

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

	2023 **£'000**	**2022** **£'000**
Fair value of plan assets	10,248	9,728
Present value of plan liabilities	(9,771)	(10,465)
Net pensions asset/(liability) (Note 14)	**477**	**(737)**

Notes to the accounts

For the Year Ended 31 July 2023

18. Defined benefit obligations (continued)

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

	2023	2022
	£'000	£'000
Amounts included in staff costs		
Current service cost	532	782
Past service cost	87	-
Total	**619**	**782**

	2023	2022
	£'000	£'000
Amounts included in investment income		
Net interest income	(17)	(89)
	(17)	**(89)**

	2023	2022
	£'000	£'000
Amounts recognised in Other Comprehensive Income		
Asset gains/(losses)	(59)	382
Liability gains/(losses)	1,426	4,829
Amount recognised in Other Comprehensive Income	**1,367**	**5,211**

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

	2023	2022
	£'000	£'000
Net defined (liability) in scheme at 1 August	(737)	(5,403)
Movement in year:		
Current service cost	(532)	(782)
Employer contributions	483	326
Past service cost	(87)	-
Net interest on the defined (liability)	(17)	(89)
Actuarial gain or loss	1,367	5,211
Net defined benefit (liability)/asset at 31 July	**477**	**(737)**

Notes to the accounts

For the Year Ended 31 July 2023

18. Defined benefit obligations (continued)

Asset and Liability Reconciliation

	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	10,465	14,521
Current service cost	532	782
Interest cost	362	245
Contributions by scheme participants	112	95
(Gains)/losses on changes in financial assumptions	(1,426)	(4,829)
Estimated benefits paid	(361)	(349)
Past service cost	87	-
Curtailments and settlements	-	-
Defined benefit obligations at end of period	**9,771**	**10,465**

	2023	2022
	£'000	£'000
Changes in fair value of plan assets		
Fair value of plan assets at start of period	**9,728**	**9,118**
Interest on plan assets	345	156
Return on plan assets	(59)	382
Employer contributions	483	326
Contributions by scheme participants	112	95
Estimated benefits paid	(361)	(349)
Fair value of plan assets at the end of the period	**10,248**	**9,728**

Notes to the accounts
For the Year Ended 31 July 2023

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 at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £1,784 (2022 £1,392). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings or external events in their official capacity.

No governor has received any remuneration or waived payments from the College during the year. (2022 : None).

20. Amounts disbursed as agent

	2023	**2022**
	£'000	**£'000**
Carried forward from previous year	146	42
ESFA grants – Bursaries grants	325	266
	471	308
Disbursed to students	(359)	(150)
Administration costs (5% of bursary grant)	(22)	(12)
Balance unspent as at 31 July, included in creditors	**90**	**146**

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.