

Calderdale College
Financial Statements
For the Year Ended 31 July 2021

Information

Address: Francis Street
HALIFAX
West Yorkshire
HX1 3UZ

Key Management Personnel

Key management personnel are defined as members of the College Senior Leadership Team and were represented by the following in 2020/21.

Principal:	John Rees
Executive Director (Finance and Funding):	Sharon Bowker
Vice Principal (Quality and People Services):	Julia Gray
Vice Principal (Curriculum):	Sonia Stirling (until 18.06.2021)
Director of Commercial Services and Partnerships:	Ebrahim Dockrat
Director of Operations:	Rob Rawlinson

Members:

- Peter Clark
- Diane Cothey
- Rachel Court
- Katherine Disley
- Patricia Drake
- Richie Dunk
- Adrian Furness
- Jenny Grainger
- Ian Greenwood
- Hafsah Hashmi
- Ross Haslam
- Safia Kauser
- Richard Laycock
- John Rees
- Malcolm Rogers
- Robert Swindells
- Andrew Wright
- Jane Taylor-Holmes acted as Clerk to the Corporation

Information

Bankers:

Lloyds TSB Bank plc
7th Floor
6/7 Park Row
LEEDS
LS1 1NX

Barclays Bank Plc
1st Floor, 3 Hardman Street
Spinningfields
Manchester
M3 3HF

Internal Auditors:

ICCA Education Training and Skills Ltd
11th Floor
The McLaren Building
46 The Priory
Queensway
BIRMINGHAM
B4 7LR

Financial Statement Auditors and Reporting Accountants:

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
1 Holly Street
SHEFFIELD
S1 2GT

Solicitors:

Weightmans LLP
100 Old Hall St
LIVERPOOL
L3 9QJ

Chadwick Lawrence
Somerset House
Ransom Street
HALIFAX
HX1 2EF

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Report of the Members of the Corporation (including the Operating and Financial Review)

The members of the Corporation present their annual report together with the financial statements for the year ended 31 July 2021.

Legal Status

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

Mission

The mission of the College is:

“Excellence in skills training for students and employers.”

Implementation of the Colleges Strategic Priorities

In July 2019, the Board approved the following strategic priorities which were adopted for the period to 2024. Specific objectives under these headings are approved annually by the Board.

1. A Thriving and Happy Workplace
2. Exceptional Student Experience and Success
3. Innovative Curriculum Design
4. Service Excellence
5. Employers as Partners
6. Dynamic, Responsive and Growing
7. Digitally Enabled
8. Committed to Calderdale

Financial Position

Financial Results

The College generated a deficit before other comprehensive income in the year of £2,696,000 (2019/20: deficit of £2,289,000) after pension charges calculated in accordance with FRS 102 section 28 of £2,482,000 (2019/20: £1,705,000).

	£
Operating deficit	(214,000)
FRS102 pension charges	(2,482,000)
Deficit for the year ended 31.07.2021	(2,696,000)

The College has historically produced small operating surpluses prior to any FRS102 adjustment. The original budget approved for 2020/21 was an operating deficit of £499k. Covid-19 has had an adverse impact on the College's apprenticeship and external funding income streams, resulting in an operating deficit of £214k for the year before any pension adjustments against a revised deficit forecast of £409k. Some of external funding reduction was offset by a reduction in staffing expenditure (from non-appointments).

Report of the Members of the Corporation (including the Operating and Financial Review)

The College made the decision to not carry out any restructuring exercise during the year and has not planned to do so during 2021/22, taking the view that a stable workforce will enable the College to react promptly and flexibility, to meet the needs of the community as they develop.

The College's balance sheet shows net current assets of £1,357,000. Tangible fixed asset additions during the year amounted to £965,000. This was made up of both refurbishment work of £693k and equipment purchases.

The College has a healthy cash balance of £11,619k at the end of the year.

The College's current ratio has fallen to 1.11:1 (2019/20: 1.13:1). Cash days in hand are 192 days (2019/20: 149 days).

The College's systems of internal financial controls and resources remain strong and effective as evidenced through both internal and external audit visits.

The College has significant reliance on the Education & Skills Funding Agency (ESFA) for its principal funding sources. In 2020/21 the ESFA provided 79.7% of the College's total income (2019/20: 76.9%).

Subsidiary Companies

All the subsidiary companies, (Calderdale Catering Limited, Calderdale Associates Limited, Halifax New College Limited and Step Training Limited) remained dormant during this financial year.

Treasury Management 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 has a separate Treasury Management Policy in place.

Cash Flows

There was a £3,322,000 cash inflow (2019/20: £1,344,000). The net cash flow resulted from the purchase of tangible fixed assets of £965,000, repayments of loans of £194,000, a decrease in debtors of £815,000 and an increase in creditors of £2,885,000.

	Value £,000	Inflow/(Outflow)
Purchase of assets	(965)	(Outflow)
Repayment of debt	(193)	(Outflow)
Decrease in debtors	815	Inflow
Increase in creditors	2,885	Inflow
Loss in year (pre FRS 102)	(214)	(Outflow)
Depreciation	994	Inflow
Total	3,322	Inflow

Report of the Members of the Corporation (including the Operating and Financial Review)

Financial Plan

The Corporation approved a financial plan in July 2020 which set objectives for the period to 2021. This plan aimed to maintain a financial health rating of 'Good' and to achieve an operating deficit of £499k. In January the College reforecast the financial position in-year and reforecast an operating deficit in excess of £409,000. This overall position was driven by the loss of significant income in both apprenticeship delivery and externally funded income, both of which are reliant on employers and businesses, many of which were unable to operate during the period January to April 2021 and onwards as a result of Covid-19 restrictions.

Reserves Policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College reserves include £3,000 held as restricted reserves. As at the balance sheet date total unrestricted reserves stand at a negative £8,585,000. It is the corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses but recognises that a large element of the reserves is related to pension contingent liabilities.

Going Concern

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

The College currently has £4,181,000 of loans outstanding with bankers on terms negotiated in 2010. The terms of the existing agreement are for up to another 16 years. 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.

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.

Current and Future Development and Performance

Financial Health

As a result of Covid-19, the College's financial health grade for 2020/21 is "requires improvement" as identified in the College's 3-year financial forecast. There has been no formal ESFA financial health grading awarded in 2020/21 across the sector due to Covid-19.

Learner Numbers

In 2020/21 the College received £14,008,000 in ESFA allocation funding (2019/20: £12,920,000). A total of £139,000 was received in relation to the College's Higher Education (HE) provision. The College had 4,000 ESFA funded students and 620 students funded by other sources.

Report of the Members of the Corporation (including the Operating and Financial Review)

Learner Achievements

Overall achievement rates for our education and training learners in 2020/21 was 88% (2019/20: 88%). Apprentices overall success was at 63% (2019/20: 60%), impacted by Covid-19. Success for HE students was 81% in 2020/21 (2019/20: 78%).

The FE (Further Education) 16-18 achievement rate of 84% has remained above the latest national rate and the 19+ rate has remained at 94%. Overall, FE achievement rates are extremely high and are broadly consistent across the whole of the College's diverse curriculum offer.

Key Performance Indicators

The table below demonstrates the KPI's and the assessment against them, that the College uses internally as well as the measure assessed externally such as Financial Health, and Ofsted rating.

Key Performance Indicator	Measure/Target	Actual for 2020/21
Current Ratio	1.19	1.11
Total Borrowing as a percentage of income	20.5%	20.49%
Operating surplus/(deficit) before FRS102	(£499,000)	(£214,000)
Staff costs as a % of total income less capital grants.	65.76%	69.70%
Financial Health	Requires Improvement	Requires Improvement
Ofsted Rating	Good	N/A

Curriculum Developments

In 2020/21 the College continued to work with employers to develop its curriculum and successfully completed planning for the five-year curriculum strategy that reviewed all provision types and created further synergy throughout the College offer. The continuation of periods of national lockdown due to Covid-19 hindered the ability to deliver the planned volume of project-based learning in employer settings but, despite the challenges, a number of projects continued successfully. These included a video-based project for Calderdale Council to promote a more successful transition to primary settings from early years education, a project for National Rail that created art work on the approach to Halifax Train station in response to a specific brief, and a project to support the vaccination clinic held at Calderdale College.

2020/21 proved to be a challenging year for apprenticeships due to the instability of specific sectors resulting from periods of national lockdown, which had an impact on the College's ability to deliver apprenticeships in those areas. Further challenges with scheduling of End Point Assessments due to national demand had a subsequent impact on the completion of programmes for some apprentices. The College continues to seek to expand apprenticeship provision and increase capacity in areas of growth, specifically the engineering and electrical sectors where developments with The Engineering Centre (TEC) have resulted in increased employer partners and vacancies for apprentices.

Report of the Members of the Corporation (including the Operating and Financial Review)

The College is one of the largest FE deliverers of ESF nationally and continues to competitively secure new European Social Fund (ESF) funds from both the ESFA and also from Department of Work & Pensions (DWP), primarily focusing on supporting workforce development. Some of these programmes are fully funded learning and others require employer contributions. The College currently delivers ESF funded activity across a number of regions including North Yorkshire, Tees Valley and also Leeds City Region, working closely with the West Yorkshire Colleges Consortium as part of a collaborative response to the Leeds City Region Skills Plan. The College also delivers a flagship Skills programme Skills Bank, in Sheffield City Region, which is funded by the Growth deal funding via ESFA.

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 target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College operates a policy of settling properly authorised invoices at the end of the month following the date of transaction and makes every effort to ensure that these terms are met for non-queried invoices. In order to report more effectively on this indicator, the College will be reviewing its software capability during 2021/22 to develop an accurate way of capturing this data.

Future Developments

In response to Covid-19, the Corporation agreed a 3-year financial recovery plan in July 2020, forecasting that the College will be producing operating surpluses by 2022/23. Medium term priorities at this time include ensuring that the College continues to meet the needs of local communities and businesses during this unprecedented time.

There are several government new funding streams introduced as a result of the Covid-19 outbreak, including 16-18 catch up tuition funding (for those learners who would benefit from additional support to keep them on track with their studies), along with new courses being fully funded during 2020/21 for adult learners. The College will continue to design and deliver appropriate learning and make best use of those funds, along with continued preparation for the delivery of T Levels in both Digital and Health and Science sectors in 2021/22.

The College is currently engaged in delivering the newly announced Kickstart programme on behalf of DWP in Calderdale in Partnership with Halifax Opportunities Trust. The programme is one of a number of interventions the Government is funding in response to the impact of the Covid-19 pandemic on businesses.

The College has invested recently in its facilities. A new site in Brighouse will offer high quality teaching and apprenticeships, allowing the College to develop its engineering provision.

Following the opening of this development in September 2021, the College plans to launch several new courses and apprenticeship standards which are aligned to the local and regional economies. This will increase learner recruitment through the broader range of courses on offer, as well as provide employer driven required skills in the locality.

Report of the Members of the Corporation (including the Operating and Financial Review)

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

Financial

The College has £8,582,000 of net liabilities (including a £19,770,000 pension liability) and long-term debt of £3,980,000.

People

The College employs 398 people (expressed as full-time equivalents), of whom 180 are teaching staff.

Reputation

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external partnerships.

Physical

The College has physical assets in the form of land and buildings to the value of £23,093,000 and equipment with a net book value of £451,000.

Principal Risks and Uncertainties

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. The Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained by the College. This is reviewed in year by the College Senior Leadership Team and at every Audit committee meeting in full, as well as annually by the Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, the potential impact on the College as well as any actions being taken by the College to reduce and mitigate the risk.

The risk register is a live document from which the College's internal audit plan is derived and is the key document for risk management within the College.

2020/21 saw a continuation of those risks identified during 2019/20 (in relation to Covid-19) being categorised as 'significant' to the College as a result of external factors influencing the impact of those risks.

The main risks to the College during the year are outlined below, along with the action taken to minimise them.

1. Failure to effectively manage a Covid-19 outbreak

There are several ways in which this risk could materialise and, if not managed correctly, would lead to the spread of the virus to staff, students and the local community.

Report of the Members of the Corporation (including the Operating and Financial Review)

The College is mitigating the risk as follows:

- Business Continuity Planning (BCP) workings groups
- Covid-19 response mitigation plan
- Medium term action plan
- Multiple delivery models including online and remote
- Health & Safety actions across the buildings including: barriers, one-way systems, sanitiser stations, additional cleaning
- Covid-19 specific risk assessments in place

Despite the above controls being in place, the risk that a Covid-19 outbreak is not effectively managed, has been maintained as a High risk to the College. It continues to be monitored and appropriate action taken as necessary and, during the early part of 2021/22 has been downgraded to a lower level of risk.

There are processes and procedures in place in the event of an identified Covid-19 outbreak on site.

2. Impact of Reduction in Public Funding

The Covid-19 outbreak has continued to negatively impact apprenticeship funding and external grant funding, as shown in the operating deficit reported for the year.

In addition to this, there is the future devolution of the adult education budget. As part of the curriculum planning process for 2021/22 and beyond, the College continues to develop and roll out its strategy for growth in response to the devolution agenda and to the apprenticeships reform.

This risk is to be mitigated in a number of ways:

- Effective financial management
- Effective use of internal auditors
- Strong relationships with Local Authorities (LAs), Local Enterprise Partnerships (LEP) and the Education & Skills Funding Agency (ESFA)
- Member of West Yorkshire College Consortium

The risk of a reduction in key publicly funded streams has been exacerbated as a result of Covid, with several changes to funding policy made in year, which has resulted in this risk being maintained as High. As with the Covid-19 risk, the rating of this risk has been reduced in 2021/22, recognising the College's ability to effectively ensure costs are reduced in line with any income reductions.

Report of the Members of the Corporation (including the Operating and Financial Review)

3. Failure to Achieve Planned Income

The College faces many challenges that could prevent it from achieving its planned income. This risk has remained high during 2020/21 due to the continuation of Covid-19 throughout the year. 2020/21 is the final year where there has been a decline 16-18 cohort as demographics show future projections increasing. There remains a healthy level of competition from both school sixth forms and other further education colleges and training providers. As such, students have many choices as to where they study. These may be influenced by factors such as quality of provision, range of provision offered, perceived value of a qualification from a set provider and even the facilities offered by an establishment. The same questions will also be raised by employers in deciding where they will invest in their staff training needs.

This risk is mitigated in a number of ways:

- Improved curriculum planning and monitoring
- Marketing strategy
- Income monitoring through monthly management accounts
- KPIs in place against key income streams tracked in year
- Scrutiny and challenge provided by senior management
- Appropriate reductions in expenditure (e.g. external contracts)

Stakeholder Relationships

In line with other colleges and with universities, Calderdale College has many stakeholders. These include:

- Current, future and past students
- Funding bodies including the ESFA and the Office for Students (OfS)
- Staff and their trade unions
- Local employers and employer bodies
- Calderdale Council
- West Yorkshire Combined Authority
- The Leeds City Region LEP and The Skills Network
- Other LEPs and combined authorities in regions where the College holds ESF contracts
- Lloyds Banking Group (Commercial Banking)
- Barclays Bank (Loan)
- Local primary and secondary schools
- HE partners including The Open University and the University of Huddersfield
- Community and voluntary groups such as the North Halifax Partnership, Active Calderdale, The Calderdale Community Foundation and Halifax Opportunities Trust
- Other FE institutions via the West Yorkshire Consortium of Colleges.
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with all stakeholders. Partnership working on specific projects or issues continues to be a highly valued part of the College's activity.

Report of the Members of the Corporation (including the Operating and Financial Review)

Public Benefit

Calderdale College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on pages 13-15. In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to approximately 4,600 students, including 87 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The College adjusts its courses to meet the needs of local employers and provides training to 960 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible, regardless of their educational background.

Equality, Diversity & Inclusion and Employment of Disabled Persons

Calderdale College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the college's Intranet site.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a 'Disability Confident' employer and has committed to the principles and objectives of the 'Disability Confident' standard. The college considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

As part of its commitment to the mental health and wellbeing of staff and students Calderdale College has signed up to a new national mental health and wellbeing charter. This has been created by the Association of Colleges (AoC) in conjunction with mental health experts and includes commitments to:

- Promote equality of opportunity and challenging mental health stigma
- Provide appropriate mental health training for staff
- Provide targeted individual mental health support where appropriate

The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

Report of the Members of the Corporation (including the Operating and Financial Review)

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010:

- The College has an Equality, Diversity and Inclusion Co-ordinator whose role is to raise awareness and inclusivity throughout the College.
- There is a list of specialist equipment, such as radio aids, which the college can make available for use by students and a range of assistive technology is available in the learning centre.
- The admissions policy for all students is described in the college charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- The College has made a significant investment in the appointment of specialist staff to support students with learning difficulties and/or disabilities. There are a number of Personal Skills Assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- Specialist programmes are described in college prospectuses, and achievements and destinations are recorded and published in the standard college format.
- Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Trade Union Facility Time

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

Numbers of employees who were relevant in the period	Full Time Equivalent (FTE) employee number
4	4

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

Total cost of facility time	£6,724
Total pay bill	£14,377,000
Percentage of total bill spent on facility time	0.046%

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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Report of the Members of the Corporation (including the Operating and Financial Review)

Staff and Student Involvement

The College considers good communication with its staff to be very important. There is an effective communication strategy, which includes whole College and departmental staff meetings, a new online staff news blog, regular corporate emails (with a weekly newsletter from the Principal/CEO), use of social media posts, regular staff conference and development events. Staff are encouraged to express their views and ideas through the College Intranet.

Formal representation of staff is undertaken through the recognised trade unions. Two staff and two student governors are elected by their peers. Each year students are invited to give feedback to the College through learner satisfaction surveys, the course representative system and focus groups. There is also the facility for learner feedback to be left on the College intranet. The Learner Voice strategy is supported and facilitated through the Learner Involvement Officer who work closely with representatives from the elected Student Union. Governors are invited to join student feedback focus groups to ask any questions they have on the quality of their experience in order to inform the governance of the College.

Creditor Payment Policy

The College recognises the importance to all businesses and organisations of the prompt payment of sums due. The College seeks to negotiate appropriate settlement terms which take account of suppliers' requirements where appropriate. The College operates a policy of settling properly authorised invoices at the end of the month following the date of transaction.

Corporation Tax

The Corporation is an exempt charity and is not liable to corporation tax except on certain non-charitable activities.

Disclosure of Information to Auditors

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

Approved by order of the members of the Corporation on 17/12/2021 and signed on its behalf
by:



Peter Clark
Chair of the Corporation

Corporate Governance Statement Incorporating the Statement of Internal Control

Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

As a recipient of public funding, the College endeavours to conduct its business to the highest standards of corporate governance:

- in accordance with the seven principles identified by the Nolan Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- 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 Governors, the College complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2021. The Governing Body 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.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as follows:

	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2020/21
Fiona Armer	19.12.2013 01.08.2016 01.07.2020	To 31.01.2022 2 years	10 December 2020	External	Audit from 20.12.2012 to 31.07.2017 (Chair from 8.10.2015 to 31.07.2017); Finance & Resources (from 01.08.2017)	100%
Peter Clark	28.03.2013 01.08.2015 01.08.2018	To 31.07.2022 4 years		External	Audit (from 01.08.2013 to 22.10.2015); Curriculum, Quality & Standards (Chair from 03.04.2014 to 31.07.2017); Search & Governance (from 01.08.2016); Senior Staff Employment	80%

Corporate Governance Statement Incorporating the Statement of Internal Control

	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2020/21
					(from 01.08.2015); Chair of the Corporation from 01.08.2016	
Diane Cothey	01.08.2018	To 31.07.2022 4 years		External	Curriculum, Quality & Standards	80%
Rachel Court	22.05.2015 01.08.2017 08.07.2021	To 31.07.2023 2 years		External	Chair of Search & Governance Committee. FP&E 22.5.15. to 31.7.17. SSEC Committee from Oct 2016. Chair of Audit Committee from 1.8.17.	100%
Katherine Disley	15.10.2020	To 14.10.2024 4 years		External	Audit	100%
Patricia Drake	06.04.2017 05.04.2021	To 05.04.2022 1 years		External	Finance & Resources; Search & Governance	80%
Richie Dunk	20.10.2016 19.10.2020	To 19.10.2024 4 years		External	Audit, Curriculum, Quality and Standards (Chair from 20.06.2019)	40%
Adrian Furness	08.02.2019	To 07.02.2023 4 years		External	Audit	100%
Jenny Grainger	06.04.2017 05.04.2021	To 05.04.2025 4 years		External	Audit; Curriculum, Quality & Standards, Senior Staff Employment SSE Chair from 22 November 2019)	40%
Ian Greenwood	01.08.2018	To 31.07.2022 4 years		Staff	Curriculum, Quality & Standards	100%
Hafsah Hashmi	10.12.2020	To 31.07.2021 1 year		Student	Curriculum, Quality & Standards	75%

Corporate Governance Statement Incorporating the Statement of Internal Control

	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2020/21
Ross Haslam	10.12.2020	To 31.07.2021 1 year		Student	Curriculum, Quality & Standards	75%
Safia Kauser	11.07.2019	To 10.07.2023 4 years		External	Curriculum, Quality & Standards	80%
Richard Laycock	15.10.2020	To 14.10.2024 4 years		External	Finance & Resources	100%
John Rees	01.04.2015	In post		Principal	Search and Governance; Curriculum, Quality & Standards, Finance & Resources	100%
Malcolm Rogers	22.05.2015 01.08.2017 31.07.2021	To 31.07.2023 2 years		External	Finance & Resources (from 15.10.2015; Chair from 25.02.2016); Senior Staff Employment (from 01.08.2016)	100%
Robert Swindells	15.10.2020	To 15.10.2024 4 years		Staff	Curriculum, Quality & Standards	80%
Andrew Wright	23.04.2020	To 23.04.2024 4 years		External	Finance & Resources Committee, Curriculum, Quality & Standards Committee.	80%

Jane Taylor-Holmes acted as Clerk to the Corporation. 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 reports on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets at least once in each term.

Corporate Governance Statement Incorporating the Statement of Internal Control

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: Audit, Finance & Resources, Curriculum, Quality & Standards, Search & Governance and Senior Staff Employment. Task and Finish Groups are formed for specific functions. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website (www.calderdale.ac.uk) or from the Clerk to the Corporation at:

Calderdale College
Francis Street
Halifax
West Yorkshire
HX1 3UZ

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 obtain 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 Board 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 is 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 of the Corporation and Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are approved by the Corporation on the recommendation of the Search and Governance Committee. The latter is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate induction and training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. This can be extended for a second full year term to serve no more than a maximum of eight years.

Corporation Performance

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2021 and graded itself as 'Good' on the Ofsted scale. In addition each of the Committees carry out an annual self-assessment to review performance and adherence to Terms of Reference.

Corporate Governance Statement Incorporating the Statement of Internal Control

Senior Staff Employment Committee

Throughout the year ended 31 July 2021, the Corporation's Senior Staff Employment Committee comprised four members. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other senior post-holders.

The College has adopted the Association of Colleges Senior Staff Remuneration Code.

Details of the remuneration of senior post-holders for the year ended 31 July 2021 are set out in note 8 to the Financial Statements.

Audit Committee

The Audit Committee comprises at least four members, which can include one co-opted member. The membership excludes the Accounting Officer, members of the Finance and Resources Committee, the Chair and Staff and student Corporation members. The Committee operates in accordance with written terms of reference approved by the Corporation, which align to the requirements of the Post-16 Audit Code of Practice. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control, the adequacy and effectiveness of the College's audit arrangements and its arrangements for risk management, control and governance processes.

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

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

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented. The Audit Committee receives regular reports on implementation to ensure that they are completed timely and are effective.

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

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.

Corporate Governance Statement Incorporating the Statement of Internal Control

The Corporation has delegated the day-to-day responsibility to the Principal/CEO, 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 they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreement between Calderdale College and the funding bodies. They are 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 Calderdale College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation through the Audit Committee.

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 scheme of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems, with an annual budget, which is agreed and reviewed by the Corporation.
- Regular review by the Corporation of periodic and annual financial reports which assess 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 Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the Corporation with a report on internal audit activity in the College. This includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Corporate Governance Statement Incorporating the Statement of Internal Control

Review of Effectiveness

As Accounting Officer, the Principal/CEO has responsibility for reviewing the effectiveness of the system of internal control. This 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 regularity auditors and the appointed funding auditors 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 Committee, which oversees the work of the internal auditor and other sources of assurance. A plan to address any 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 leadership team and the Audit Committee also receive regular reports from internal audit and from other sources of assurance which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and Audit Committee. The Corporation also receives an annual report on risk and control issues through the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior leadership team and internal audit, and taking account of events since 31 July 2021.

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

Approved by order of the members of the Corporation on 17/12/2021 signed on its behalf
by:



Peter Clark
Chair of the Corporation



John Rees
Accounting Officer

Corporate Governance Statement Incorporating the Statement of Internal Control

Statement of Regularity, Propriety and Compliance

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

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

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



Peter Clark
Chair of the Corporation



John Rees
Accounting Officer

Date: 17/12/2021

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Corporation's grant funding agreements and contracts with ESFA, the Corporation - through its Accounting Officer - is required to prepare financial statements and an operating and financial review for each financial year in accordance with the *Statement of Recommended Practice – Accounting for Further and Higher Education*, the 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 the 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 the assets of the College and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and ensure they are used properly. In addition, members of the

Statement of Responsibilities of the Members of the Corporation

Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the member of the Corporation and signed on its behalf by:

Peter Clark

Peter Clark
Chair of the Corporation

Date: 17/12/2021



Independent Auditor's Report to the Members of the Corporation of Calderdale College

Opinion

We have audited the financial statements of Calderdale College (the 'Corporation') for the year ended 31 July 2021, which comprise the Consolidated and College Statement of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, Consolidated and College Balance Sheets, Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the corporation's affairs as at 31 July 2021 and of its surplus of income over expenditure and of the corporation's surplus of income over expenditure for the year then ended; and
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education as issued in October 2018 and any subsequent amendments.

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 corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Corporation's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the corporation to cease to continue as a going concern.

In our evaluation of the Corporation's conclusions, we considered the inherent risks associated with the corporation's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Corporation and the related disclosures and analysed how those risks might affect the corporation's financial resources or ability to continue operations over the going concern period.



Independent Auditor's Report to the Members of the Corporation of Calderdale College

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the corporation'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.

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.

The responsibilities of the Corporation with respect to going concern are described in the 'Responsibilities of the Members of the Corporation for the financial statements' section of this report.

Other Information

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 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Student's ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the corporation for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them, and
- the requirements of the OfS accounts direction (issued October 2019) have been met.



Independent Auditor's Report to the Members of the Corporation of Calderdale College

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2020 to 2021 issued by the Education & Skills Funding Agency requires us to report to you if, in our opinion:

- the corporation has not kept adequate accounting records; or
- the corporation's annual accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

- the corporation's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

Responsibilities of the Corporation for the Financial Statements

As explained more fully in the statement of responsibilities of the Members of the Corporation set out on page 22, the Members of the Corporation are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of the Corporation are responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Members of the Corporation either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

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

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 auditor's report.



Independent Auditor's Report to the Members of the Corporation of Calderdale College

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the corporation, and the sector in which it operates. We determined that the following laws and regulations were most significant;
 - financial reporting legislation (FEHE SORP 2019, United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, the Colleges accounts direction 2020 to 2021 and the OfS Accounts Direction (October 2019));
 - regulatory environment (including the ESFA funding rules 2020 to 2021 and the OfS; framework and relevant OfS regulatory notices)
 - Further and Higher Education Act 1992; and
 - The Code of Good Governance for English Colleges.

The engagement team remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit;

- We understood how the corporation is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit Committee, and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
 - The corporation's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
 - The corporation's control environment including the adequacy of procedures for authorisation of transactions
- We assessed the susceptibility of the corporation's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;



Independent Auditor's Report to the Members of the Corporation of Calderdale College

- Identifying and testing related party transactions; and
- Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the corporation operates in, its understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Members of the Corporation, as a body, in accordance with the terms of our engagement letter dated 29 October 2020. Our audit work has been undertaken so that we might state to the Members of the Corporation those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the corporation and the Members of the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
SHEFFIELD
Date: 17/12/2021



Reporting accountant's assurance report on regularity to the Corporation of Calderdale College and Secretary of State for Education acting through Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 23 July 2019 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 that, in all material respects, the expenditure disbursed and income received by Calderdale College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of Calderdale College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that, in all material respects, expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by 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.



Reporting accountant's assurance report on regularity to the Corporation of Calderdale College and Secretary of State for Education acting through Education and Skills Funding Agency (ESFA)

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 our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that, in all material respects, the expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to the corporation of Calderdale College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Calderdale College and the ESFA those matters we are required to state in a limited assurance 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 Calderdale College, as a body, and the ESFA, as a body, for our work, for this report, or for the conclusion we have formed.

Grant Thornton

Grant Thornton UK LLP
Chartered Accountants
Sheffield
Date: 17/12/2021

Statement of Comprehensive Income

	Note	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Income			
Funding body grants	2	16,802	16,001
Tuition fees and education contracts	3	2,640	2,879
Other grants and contracts	4	1,192	1,446
Other income	5	281	408
Investment income	6	-	38
Total income		20,915	20,772
Expenditure			
Staff costs	7	(16,455)	(15,672)
Other operating expenses	9	(5,651)	(5,786)
Depreciation	12	(994)	(1,103)
Interest and other finance costs	10	(511)	(500)
Total expenditure		(23,611)	(23,061)
Deficit for the year		(2,696)	(2,289)
Other Comprehensive Income			
Actuarial (loss)/gain in respect of pension schemes	20	5,755	(7,143)
Total Comprehensive Income for the year		3,059	(9,432)
Represented by:			
Restricted Comprehensive Income		-	-
Unrestricted Comprehensive Income		3,059	(9,432)
		3,059	(9,432)

Statement of Changes in Reserves

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000	Restricted reserves £'000	Total £'000
Balance at 1 August 2019	(7,704)	5,492	(2,212)	3	(2,209)
Deficit from the income and expenditure account	(2,289)	-	(2,289)	-	(2,289)
Other comprehensive income	(7,143)	-	(7,143)	-	(7,143)
Total comprehensive income	(9,432)	-	(9,432)	-	(9,432)
Transfers between revaluation and income and expenditure reserves	111	(111)	-	-	-
	(9,321)	(111)	-	-	(9,432)
Balance at 31 July 2020	(17,025)	5,381	(11,644)	3	(11,641)
Deficit from the income and expenditure account	(2,696)	-	(2,696)	-	(2,696)
Other comprehensive income	5,755	-	5,755	-	5,755
Total comprehensive income	3,059	-	3,059	-	3,059
Transfers between revaluation and income and expenditure reserves	110	(110)	-	-	-
Balance at 31 July 2021	(13,856)	5,271	(8,585)	3	(8,582)

Balance Sheet

	Note	2021 £'000	2020 £'000
Non-current assets			
Tangible assets	12	<u>23,544</u>	<u>23,573</u>
Current assets			
Trade and other receivables	14	1,804	2,618
Cash and cash equivalents	15	<u>11,619</u>	<u>8,297</u>
		13,422	10,915
Creditors: amounts falling due within one year	16	<u>(12,065)</u>	<u>(9,593)</u>
Net current assets		<u>1,357</u>	<u>1,322</u>
Total assets less current liabilities		24,901	24,895
Creditors: amounts falling due after more than one year	17	(13,713)	(13,493)
Provisions			
Other provisions – defined benefit obligations	20	<u>(19,770)</u>	<u>(23,043)</u>
Total net (liabilities)/assets		<u>(8,582)</u>	<u>(11,641)</u>
Reserves			
Restricted reserves		<u>3</u>	<u>3</u>
Unrestricted reserves			
Income and expenditure accounts		(13,856)	(17,025)
Revaluation reserve		<u>5,271</u>	<u>5,381</u>
Total unrestricted reserves		<u>(8,585)</u>	<u>(11,644)</u>
Total funds		<u>(8,582)</u>	<u>(11,641)</u>

The financial statements were approved and authorised for issue by the Corporation on 17/12/2021 and were signed on its behalf by:

Peter Clark

Peter Clark
Chair of the Corporation

John Rees

John Rees
Accounting Officer

The accompanying accounting policies and notes on pages 34 to 55 form an integral part of these financial statements.

Statement of Cash Flows

	2021	2020
	£'000	£'000
Cash inflow from operating activities		
Deficit for the year	(2,696)	(2,289)
Adjustment for non-cash items		
Depreciation	994	1,103
(Increase)/Decrease in debtors	815	(783)
Increase/(decrease) in creditors due within one year	2,465	2,393
Increase/(Decrease) in creditors due after one year	420	(364)
Pension costs less contributions payable	2,482	1,705
Adjustment for investing or financing activities		
Investment income	-	(38)
Interest payable	196	212
Loss on disposal of fixed assets	-	-
Net cash inflow from operating activities	4,675	1,939
Cash flows from investing activities		
Payments made to acquire fixed assets	(965)	(236)
Investment income	-	38
	(965)	(198)
Cash flows from financing activities		
Interest paid	(196)	(212)
Repayments of amounts borrowed	(193)	(185)
	(389)	(397)
Increase/(decrease) in cash and cash equivalents in the year	3,322	1,344
Cash and cash equivalents at beginning of the year	8,297	6,953
Cash and cash equivalents at end of the year	11,619	8,297

The accompanying accounting policies and notes on pages 34 to 55 form an integral part of these financial statements.

Notes to the Financial Statements

1 Statement of Accounting Policies and Estimation Techniques

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

Basis of Preparation

These financial statements are prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), The College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

The financial statements are presented in Sterling (£).

Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying Notes.

The College currently has £4,181,000 of loans outstanding with bankers on terms negotiated in 2010. The terms of the existing agreement are for up to another 16 years. 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.

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 recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget (ASB) is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Notes to the Financial Statements

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the income and expenditure account.

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

Income for tuition fees is recognised in the period which it relates to and includes all fees chargeable to students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Income from restricted purpose endowment funds not expended in accordance with the restrictions of the endowment in the period, is transferred from the income and expenditure account to accumulated income within endowment funds.

Maintenance of Premises

The Corporation has a ten-year planned maintenance programme which is reviewed on an annual basis. The costs of carrying out planned maintenance are charged in the year in which they are incurred. The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Accounting for Post-employment Benefits

Post-employment benefits for most employees of the Corporation are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (West Yorkshire Pension Fund) ("WYPF"). These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives within 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 quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement as they are paid each year.

The WYPF is a funded scheme. The assets of the WYPF are measured using closing fair values. WYPF liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. 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.

Notes to the Financial Statements

Net interest on the net defined benefit liability/asset is also recognised in the Income Statement 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 other comprehensive income.

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.

Non-current assets - Tangible fixed assets

Land and Buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation at the date they were inherited on the basis of deemed cost. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated over their expected useful economic life to the Corporation of 50 years.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Equipment

Equipment costing less than £500 per individual item is written off to the income and expenditure account in the period of acquisition (unless part of a larger annual replenishment, for example, computer equipment or furniture). Equipment inherited from the Local Education Authority is included in the balance sheet at valuation, but has subsequently been written down to nil value. All other equipment is capitalised at cost.

All equipment acquired since incorporation is depreciated on a straight-line basis over 4 years, representing its estimated economic life.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Assets under Construction

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

Notes to the Financial Statements

Subsequent Expenditure on Existing Fixed Assets

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

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 if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Fixed assets investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective items.

Taxation

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

The College is partially exempt in respect of Value Added Tax (VAT), 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 costs of tangible fixed assets by nature.

Cash and Cash Equivalents

Cash including cash in hand and sums on short term deposits with recognised banks and building societies and government securities. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Provisions and Contingent Liabilities

Provisions are recognised when the Corporation 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.

Notes to the Financial Statements

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

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

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

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

Other key sources of estimation uncertainty:

Tangible Fixed Assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount on the pension liability.

Notes to the Financial Statements

Agency Arrangements

The College acts as an agent in the collection and payment of discretionary support funds. Related payment received from the ESFA and subsequent disbursements to students are excluded from the Income and Expenditure account of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction and are shown separately in note 25, except for the 5% of the grant received which is available to the Corporation to cover administration costs relating to the grant.

The Corporation acts as an agent in the running of both the Skills Enhancement Fund project, the Work Place Learning project and the Kickstart project. Related payment received from the ESFA and subsequent disbursements to project partners are excluded from the Income and Expenditure account and are shown separately in note 25, except for the part of the grant received which is available to the Corporation to cover administration costs relating to the running of the project.

Financial Liabilities and Equity

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

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historic 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.

2 Funding Body Grants

	Total 2021 £'000	Total 2020 £'000
Recurrent Grants		
Education and Skills Funding Agency: Adult	5,531	5,998
Education and Skills Funding Agency: 16-18	9,601	8,459
Office for Students	139	99
Specific Grants		
Skills Funding Agency	854	852
Release of Government Capital Grants	352	323
Teacher Pension Contribution	325	270
	16,802	16,001

OfS registered colleges are required to include a note analysing grant and fee income received in a single additional table. OfS' requirements overlap with the existing structure of the ESFA's finance record. An additional table is provided with the required analysis. As OfS only regulates higher education in colleges only amounts relating to courses at level 4 and above are recorded here.

Notes to the Financial Statements

	Total 2021 £'000	Total 2020 £'000
Recurrent Grants		
Grant income from the Office for Students Adult	139	99
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	1,284	1,283
Fee income from research awards (exclusive of VAT)		
Fee income from non-qualifying courses(exclusive of VAT)	-	-
	<u>1,423</u>	<u>1,382</u>

3 Tuition Fees and Education Contracts

	2021 £'000	2020 £'000
Adult Education Fees	254	381
Apprenticeship Fees and Contracts	31	38
Fees for HE Loan Supported Courses	1,284	1,283
Fees for FE Loan Supported Courses	531	497
Total Tuition Fees	<u>2,100</u>	2,199
Education Contracts	540	680
	<u>2,640</u>	<u>2,879</u>

4 Grants and Contracts

	2021 £'000	2020 £'000
National Funds	656	787
European Funds	397	597
Coronavirus Job Retention Scheme	139	62
Total Funds	<u>1,192</u>	<u>1,446</u>

Following the temporary closure of commercial operations, the Corporation furloughed catering staff and other staff supporting commercial activities under the Government's Coronavirus Job Retention Scheme. The funding received in respect of 59 staff of £139,217 relates to staff costs which are included within the staff costs note below as appropriate.

Notes to the Financial Statements

5 Other Income

	2021	2020
	£'000	£'000
Other Income Generating Activities	154	182
Miscellaneous Income	127	226
	<u>281</u>	<u>408</u>

6 Investment Income

	2021	2020
	£'000	£'000
Other Interest Receivable	<u>-</u>	<u>38</u>

7 Staff Costs

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

	2021	2020
	Number	Number
Teaching Staff	177	180
Non-teaching Staff	221	216
	<u>398</u>	<u>396</u>

The above figures include a total of 48 (2020: 15) FTE staff on fixed term contracts.

	2021	2020
	£'000	£'000
Wages and Salaries	11,184	11,089
Social Security Costs	917	904
Other Pension Costs	4,044	3,221
	<u>16,145</u>	<u>15,214</u>
Agency Costs	296	458
Fundamental restructuring costs - contractual	14	-
-non-contractual	<u>-</u>	<u>-</u>
	<u>16,455</u>	<u>15,672</u>

Notes to the Financial Statements

A general pay award of 1.0% was made with effect from 1 August 2020 which was approved by the Corporation.

The corporation also makes available to staff salary sacrifice schemes for childcare vouchers, Ride to Work and holiday purchase. Staff costs are recorded at the full gross value before the deduction of the salary sacrifice.

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 Senior Leadership Team. The senior leadership team comprises: Principal and CEO, Executive Director Finance & Funding, Vice Principal Curriculum, Quality & Student Services, Director of Commercial Services and Partnerships, Director of Operations which, along with the Clerk to the Corporation, form the Key Management Personnel.

Emoluments of Key Management Personnel, Accounting Officer and Other Higher Paid Staff

	2021	2020
	Number	Number
The number of key management personnel including the Accounting Officer was:	<u>8</u>	<u>9</u>

The number of staff, including senior post-holders and the Principal, who received annual emoluments excluding pension contributions but including benefits in kind in the following ranges was:

	Key Management Personnel	
	2021	2020
	No	No
£1 to £10,000	1	-
£10,001 to £15,000	-	-
£15,001 to £20,000	1	-
£20,001 to £25,000	-	1
£40,001 to £45,000	-	1
£45,001 to £50,000	-	1
£55,001 to £60,000	-	1
£60,001 to £65,000	2	2
£65,001 to £70,000	-	1
£70,001 to £75,000	2	-
£75,001 to £80,000	1	-
£80,001 to £85,000	-	1
£125,001 to £130,000	-	-
£130,001 to £135,000	1	1
	<u>8</u>	<u>9</u>

Notes to the Financial Statements

Including part time workers grossed up to full time equivalent 1 member of key management personnel was paid in the £45,001 to £50,000 band in 2021 (2020 this individual fell into the £40,001 to £45,000 band).

	Other Staff	
	2021	2020
	No	No
£60,001 to £65,000	-	-
£65,001 to £70,000	1	1
£70,001 to £75,000	-	-
	<hr/>	<hr/>

8 Senior Post-holders Emoluments

Key management personnel emoluments are made up as follows:

	2021	2020
	£'000	£'000
Salaries	509	546
Employers National Insurance	62	66
	<hr/> 571	<hr/> 612
Pension costs	93	96
Total emoluments	<hr/> 664 <hr/>	<hr/> 708 <hr/>

Emoluments include gross salaries, bonuses and employer national insurance.

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

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2021	2020
	Total	Total
	£'000	£'000
Accounting Officer		
Salary	136	135
Benefits in kind	-	-
Pension Costs	32	31
	<hr/> 168 <hr/>	<hr/> 166 <hr/>

The pension costs in respect of the Accounting officer and key management personnel are in respect of employer's contributions to the West Yorkshire Pension Scheme and the Teachers' Pension Scheme and are paid at the same rate as for other employees.

Members of the Board of Governors, other than the principal, and staff representatives, did not receive any payment from the College other than reimbursement of travel and subsistence expenses incurred in the course of their duties.

Notes to the Financial Statements

The total expenses paid to Governors during the year was £nil (2020: £216.20; 1 Governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and events in their official capacity.

Key management personnel had their pay reviewed from 1 January 2021. They received an increase of 1% backdated to 1 August 2020. These increases were approved by the Corporation. No other bonuses or salary enhancements were awarded.

Relationship of Principal and CEO pay and remuneration expressed as a multiple.

	2021	2020
	£'000	£'000
Principal's basic salary as a multiple of the median of all staff	5.2	5.4
Principal and CEO's total remuneration as a multiple of the median of all staff	5.6	5.7

9 Other Operating Expenses

	2021	2020
	£'000	£'000
Teaching costs	2,681	3,540
Non-teaching costs	1,448	915
Premises costs	1,522	1,331
	5,651	5,786

Other operating expenses include:

	2021	2020
	£'000	£'000
Auditors' remuneration:		
- Financial statements audit	45	30
- Internal audit	18	21
Other services provided by the financial statement auditor:		
-	-	5
- Teachers pension	2	3
Losses on disposal of non-current assets	1	1
Hire of assets under operating leases	31	31

10 Interest and Other Finance Costs

	2021	2020
	£'000	£'000
On bank loans, overdrafts and other loans:	196	212
On finance leases	-	-
Pension finance cost (see note 20)	315	288
	511	500

Notes to the Financial Statements

11 Taxation

The members do not believe that the Corporation is liable for any corporation tax arising out of its activities during the year.

12 Tangible Fixed Assets

	Freehold land and buildings £'000	Equipment £'000	Total £'000
Cost or valuation			
At 1 August 2020	30,056	6,195	36,251
Additions	693	272	965
Disposals	-	4	4
Transfer between classes	-	-	-
At 31 July 2021	<u>30,749</u>	<u>6,471</u>	<u>37,220</u>
Depreciation			
At 1 August 2020	6,882	5,796	12,679
Charge for the year	774	220	994
Eliminated on disposal	-	4	4
At 31 July 2021	<u>7,656</u>	<u>6,020</u>	<u>13,675</u>
Net book value at 31 July 2021	<u>23,093</u>	<u>451</u>	<u>23,544</u>
Net book value at 31 July 2020	<u>23,174</u>	<u>399</u>	<u>23,573</u>

Tangible fixed assets inherited from Calderdale Council at incorporation with a net book value of £5,270,000 (2020: £5,381,000) have been valued by the College and are being written off over their remaining useful economic lives.

If inherited tangible fixed assets had not been valued they would have been included at nil book value.

Land and buildings with a net book value of £5,270,000 (2020: £5,381,000) have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Agency, to surrender the proceeds.

Notes to the Financial Statements

13 Investments

	Total £'000
Cost	
At 1 August 2020 and 31 July 2021	<u>450</u>
Amounts written off	
At 1 August 2020 and 31 July 2021	<u>(418)</u>
Amounts owed to dormant subsidiary transferred to investment	<u>(32)</u>
Net book amount at 31 July 2021 and at 31 July 2020	<u>-</u>

The College owns 100% of the issued ordinary shares of Calderdale Associates Limited and Calderdale Catering Limited. Both companies have been dormant from 1 August 2002. In addition, the College owns 100% of the issued ordinary shares of Step Training Limited which has remained dormant since its creation in January 2007. The College also owns 100% of the shares of the dormant company Halifax New College Limited. All four companies are incorporated in England and Wales.

14 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade receivables	185	609
Prepayments and accrued income	1,619	2,009
	<u>1,804</u>	<u>2,618</u>

Calderdale College is part of a joint venture agreement with West Yorkshire Consortium of Colleges Limited (WYCC) and the Principal of the College is a Director of WYCC.

The College paid subscriptions to WYCC of £3,000 in 2020/21 (2019/20 £3,000).

The College has debts due of £113,529 from WYCC that are still outstanding at 31 July 2021. There has been a commitment from WYCC to repay this in full and therefore there is no bad debt provision for this sum.

15 Cash

	At 1 August 2020 £'000	Cashflows £'000	At 31 July 2021 £'000
Cash and cash equivalents	<u>8,297</u>	<u>3,322</u>	<u>11,619</u>

Notes to the Financial Statements

16 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank Loan	201	194
Payments received in advance	7,135	5,636
Trade Payables	534	259
Other Taxation and Social Security	296	299
Pension Creditor	215	217
Other Creditors	55	51
Accruals	3,133	2,571
Deferred Income – government capital grants	496	366
	12,065	9,593

17 Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Bank Loans	3,980	4,181
Deferred Income – government capital grants	9,733	9,312
	13,713	13,493

18 Maturity of Debt

Bank and Other Loans

Bank and other loans are repayable as follows:

	2021 £'000	2020 £'000
In one year or less	201	194
Between one and two years	209	201
Between two and five years	679	653
In five years or more	3,092	3,327
	4,181	4,375

The bank loan with an arrangement principal of £4,181,000 is repayable by instalments falling due between 1 August 2021 and 30 September 2036 at an interest rate of 5.5% per annum on £3,259,000 and 3-month London Inter-Bank Offered Rate (LIBOR) plus 1.3% on £922,000.

Notes to the Financial Statements

19 Provisions

	Defined Benefit obligations £'000
At 1 August 2020	23,043
Increase in year	<u>(3,273)</u>
At 31 July 2021	<u>19,770</u>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension scheme. Further details are given in note 20.

20 Pension and Similar Obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pensions Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Yorkshire Pension Fund (WYPF). Both are multi-employer defined-benefit pension schemes.

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

	2021 £'000	2020 £'000
Total Pension Cost for the Year	885	894
Teachers' Pension Scheme: contributions paid	885	894
Local Government Pension Scheme:		
Contributions paid	990	911
FRS 102 (28) Charge (current service cost)	2,167	1,415
FRS 102 (28) Charge (past service cost)	<u>-</u>	<u>2</u>
Charge to the statement of comprehensive income	3,157	2,328
Total Pension Cost for the Year within Staff Costs	<u>4,043</u>	<u>3,222</u>

Contributions amounting to £214,000 (2020: £217,000) were payable to the scheme at 31 July 2021 and are included within creditors.

Teachers' Pension Scheme

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

Notes to the Financial Statements

Pension and Similar Obligations (continued)

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 Pensions Act 2013. Valuations credit the teachers' pension accounts with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

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

As a result of the valuation, new employer contribution rates for set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2021/22 academic year.

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

The pension costs paid to TPS in the year amounted to £885,000 (2020: £874,000).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit plan, with the assets held in separate funds administered by WTPF. The total contribution made for the year ended 31 July 2021 were £1,356,000 (2020: £1,247,000) of which employer's contributions totalled £990,000. (2020: £903,000) and employees' contributions totalled £366,000. (2020: £344,000). The agreed contribution rates for future years are 17.6% for employers and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Notes to the Financial Statements

Pension and Similar Obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 carried out by a qualified independent actuary (AON).

	At 31 July 2021	At 31 July 2020
	%	%
Rate of increase in salaries	3.9	3.6
Future pensions increase	2.6	2.3
Discount rate for scheme liabilities	1.7	1.4
Inflation assumption (Consumer Price Index CPI)	2.6	2.3

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

	At 31 July 2021	At 31 July 2020
Retiring today		
Males	21.9	21.8
Females	24.7	24.6
Retiring in 20 years		
Males	22.6	22.5
Females	25.8	25.7

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

	Long term rate of return expected at 31 July 2021 %	Fair value at 31 July 2021 £'000	Long term rate of return expected at 31 July 2020 %	Fair value at 31 July 2020 £'000
Equity instruments	80.2	25,285	77.7	19,723
Debt instruments	12.6	3,972	15.0	3,808
Property	3.7	1,167	4.3	1,091
Cash	2.2	694	1.6	406
Other	1.3	410	1.4	355
Total fair value of plan assets		<u>31,528</u>		<u>25,383</u>

Notes to the Financial Statements

Pension and Similar Obligations (continued)

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

	2021 £'000	2020 £'000
Fair value of plan assets	31,528	25,383
Present value of plan liabilities	<u>(51,298)</u>	<u>(48,426)</u>
Net pensions liability	<u>(19,770)</u>	<u>(23,043)</u>

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

	2021 £'000	2020 £'000
Amounts included in staff costs		
Current service cost	3,157	2,326
Past service cost	<u>-</u>	<u>2</u>
Total	<u>3,157</u>	<u>2,328</u>

	2021 £'000	2020 £'000
Amounts included in interest payable		
Net interest payable	<u>(315)</u>	<u>(288)</u>

Amount recognised in Other Comprehensive Income

	2021 £'000	2020 £'000
Return on pension plan assets	5,211	(2,290)
Experience gains/(losses) arising on defined benefit obligations	<u>544</u>	<u>(4,853)</u>
Amount recognised in Other Comprehensive Income	<u>5,755</u>	<u>(7,143)</u>

Movement in net defined benefit/(liability) during year

	2021 £'000	2020 £'000
Net defined benefit liability in scheme at 1 August	(23,043)	(14,195)
Movement in year:		
Current service cost	(3,157)	(2,326)
Employer contributions	990	911
Past service cost	-	(2)
Net interest on the net liability	(315)	(288)
Actuarial gains/(losses)	5,755	(7,143)
Net defined benefit liability at 31 July	<u>(19,770)</u>	<u>(23,043)</u>

Notes to the Financial Statements

Pension and Similar Obligations (continued)

Asset and Liability Reconciliation	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	48,426	41,120
Current service cost	3,157	2,326
Interest cost	675	856
Contributions by scheme participants	366	344
Experience gains and losses on defined benefit obligations	(544)	4,853
Estimated benefits paid	(782)	(1,075)
Past service cost	-	2
Defined benefit obligations at end of period	51,298	48,426
Changes in fair value of plan assets		
	2021	2020
	£'000	£'000
Fair value of plan assets at start of period	25,383	26,925
Interest on plan assets	360	568
Return on assets	5,211	(2,290)
Employer contributions	990	911
Contributions by scheme participants	366	344
Estimated benefits paid	(782)	(1,075)
Fair value of plan assets at the end of the period	31,528	25,383

These accounts show a past service cost of £0.546 million in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is just under 0.001% of the total scheme liability as at 31 March 2019. The calculation of adjustment to past service costs, £7 billion, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely, a 0.5% increase would increase the estimated cost by 65%.

Notes to the Financial Statements

21 Capital Commitments

	2021	2020
	£'000	£'000
Land and Buildings		
Commitments contracted for at 31 July 2021	<u>29</u>	<u>-</u>

22 Lease Obligations

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

Future minimum lease payments due	2021	2020
	£'000	£'000
Land and Buildings		
No later than one year	198	27
Later than one year and not later than five years	4	22
Greater than five years	-	-
	<u>202</u>	<u>49</u>

In addition to the £202,000 disclosed in land and buildings, the College is committed to paying £1,000 per annum for insurance and management charges.

23 Contingent Liabilities

The College has received grant income over a number of years. The funding bodies have clawback arrangements in place for many of the grants and the College may have to pay monies back in the event of an audit taking place.

24 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 arms' length and in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed. Transactions with the funding bodies and OfS are detailed in the notes.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2020: None).

The total expenses paid to us on behalf of the Governors during the year was £Nil; 1 Governor (2020: £216.20; 1 Governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and events in their official capacity.

Notes to the Financial Statements

25 Amounts Disbursed as Agent

	2021	2020
	£'000	£'000
Funding Body Grants		
Balance brought forward	684	586
Funding body grants – bursary support	268	253
Funding body grants – discretionary learner support	343	307
Funding body grants – residential bursaries	-	-
Reclaim from prior year.	-	-
Other Funding body grants	-	-
Interest earned	-	4
	1,295	1,150
Disbursed to Students	(412)	(362)
College allocation	(23)	(25)
Paid on behalf of the student	(15)	(79)
Balance unspent at 31 July	845	684

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 grant, related disbursements and payments made on behalf of the students are therefore excluded from the Statement of Comprehensive Income.

Income and expenditure relating to the Skills Enhancement Fund within the College's Statement of Comprehensive Income relates to the administration costs associated with the running of the project and any projects undertaken by the College.

	2021	2020
	£'000	£'000
Skills Support for the Workforce		
Balance brought forward	694	743
ESFA Grants	3,262	3,667
	3,956	14,410
Disbursed to partners	(2,542)	(3,202)
College allocation	(596)	(514)
Balance unspent at 31 July	818	694

In the majority of instances, the College only acts as a paying agent. In these circumstances, the grant and related disbursement are therefore excluded from the College's Statement of Comprehensive Income.

Notes to the Financial Statements

Amounts Disbursed as Agent (continued)

	2021	2020
	£'000	£'000
Sheffield Skills Bank		
Balance brought forward	3,538	1,911
Receipts	3,495	2,961
	7,033	4,872
Disbursed to partners	(1,998)	(575)
College allocation	(448)	(759)
Balance unspent at 31 July	4,587	3,538
	2021	2020
	£'000	£'000
Kickstart		
Balance brought forward	-	-
Receipts	216	-
	216	-
Disbursed to partners	(154)	-
College allocation	(56)	-
Balance unspent at 31 July	6	-