

Calderdale College
Financial Statements
For the Year Ended 31 July 2023

Information

Address:	Francis Street HALIFAX West Yorkshire HX1 3UZ
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Key Management Personnel

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

Acting Principal (1.8.22 – 31.12.22):	Julia Gray
Principal (1.1.23 onwards):	David Malone

Acting Accounting Officer (1.8.22 – 31.12.22)	Andrew Harrison
Accounting Officer (1.1.23 onwards)	David Malone

Vice Principal (Corporate Services)	Andrew Harrison
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Executive Director (Finance and Funding): (1.8.22 – 31.8.22)	Sharon Bowker
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Deputy Principal (Quality, Curriculum Development & Student Experience) (1.1.23 onwards)	Karl Veltman
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Director of Commercial Services and Partnerships:	Ebrahim Dockrat
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Information

Members

Jessica Ainsworth (resigned 8 June 2023)
Peter Clark (Chair)
Diane Cothey
Rachel Court
Katherine Disley (resigned 7 September 2023)
Richie Dunk
Adrian Furness (resigned 7 February 2023)
Jenny Grainger
Julia Gray (resigned 31 December 2022)
Suzanne Griffiths (appointed 13 July 2023)
Safia Kauser
Richard Laycock
Suzan McGladdery (appointed 13 July 2023)
Nazia Mukhtar
David Malone (appointed 3 January 2023)
Greg Scully (appointed 20 April 2023)
Martyn Stone (appointed 13 July 2023)
Malcolm Rogers (resigned 13 July 2023)
Paul Waterworth
Andrew Wright
John-Paul Yates (appointed 13 July 2023)

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 Priors
Queensway
BIRMINGHAM
B4 7LR

Financial Statement Auditors and Reporting Accountants:

RSM UK Audit LLP
Statutory Auditor
Two Humber Quays
Wellington Street West
HULL
HU1 2BN

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

The members of the Corporation present their annual report together with the financial statements for the year ended 31 July 2023.

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

In July 2023, the Board approved a new Strategic Plan 2023-26 with new priorities based on 6 P's: People; Place; Prosperity; Partnerships; Performance; Planet.

Report of the Members of the Corporation

Financial Position

Financial Results

The College generated a deficit before other comprehensive income in the year of £ 459,000 (2021/22: deficit of £2,401,000) after pension charges calculated in accordance with FRS 102 section 28 of £797,000 (2021/22: £2,519,000).

	£
Operating surplus before FRS102 pension charges	338,000
FRS102 pension charges	(797,000)
Deficit for the year ended 31.07.2023	(459,000)

The College has historically produced small operating surpluses prior to any FRS102 adjustment. The original budget approved for 2022/23 was an operating surplus of £98k. The outturn is an improved position of £338k mainly due to increased Adult funding activity. This provides an opportunity for further reinvestment in the IT Infrastructure and the learning environment.

The College's balance sheet shows net current assets of £2,317,000. Tangible fixed asset additions during the year amounted to £1,864,000. This was made up of land and buildings renovations of £36,000 equipment purchases of £486,000 and work in progress of £1,342,000.

The College has a healthy cash balance of £8,552,000 at the end of the year. This includes over £800,000 of capital funds in advance and around £1million of unspent student financial support.

The College's current ratio has increased to 2.04:1(2021/22: 1.23:1). Cash days in hand are 134 days (2021/22: 111 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) and West Yorkshire Combined Authority for its principal funding sources. In 2022/23 the ESFA provided 82.7% of the College's total income (2021/22: 82.1%).

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.

Office for National Statistics (ONS) reclassification of Colleges

In November 2022, the ONS reclassified colleges as being within the public sector. As a result, the college is subject to HM Treasury's Managing Public Money (MPM) requirement. The College completed an MPM return in March 2023 to demonstrate compliance with the new requirements. The College also updated its Financial Regulations and Financial Procedures accordingly.

Report of the Members of the Corporation

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 £1,266,000 cash inflow (2021/22: £4,333,000 outflow). The net cash flow resulted from the purchase of tangible fixed assets of £1,864,000 repayments of loans of £209,000, an increase in creditors of £6,810,000 mainly due to contractor bills outstanding at year end and accrued deferred capital grants and an increase in debtors of £5,182,000

	Value £,000	Inflow/(Outflow)
Purchase of assets	(1,864)	(Outflow)
Repayment of debt	(209)	(Outflow)
Increase in debtors	(5,182)	(Outflow)
Increase in creditors	6,810	Inflow
Surplus in year (pre FRS 102)	338	Inflow
Depreciation	1,132	Inflow
Total	1,266	Inflow

Financial Plan

The Corporation approved a financial plan in July 2022 which set objectives for the period to 2023. This plan aimed to maintain a financial health rating of 'Good' and to achieve an operating surplus of £98k. The College achieved an increased operating surplus, significant investment in the IT Infrastructure and a good cash-flow.

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 positive £11,641,000. It is the corporation's intention to maintain strong reserves over the life of the new strategic plan through the generation of annual operating surpluses whilst also re-investing in the IT Infrastructure and the learning environment.

Going Concern

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

The College currently has £3,771,000 of loans outstanding with bankers on terms negotiated in 2010. The terms of the existing agreement are for up to another 14 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants until at least 31 December 2024.

Report of the Members of the Corporation

Going Concern (continued)

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence to at least 31 December 2024. The College has negotiated a new fixed price energy agreement until October 2024 which has had less impact as a cost pressure than originally forecast. The College has undertaken a Tribal benchmarking exercise and has taken measures to improve curriculum efficiency including staff utilisation and larger class sizes. For these reasons, it continues to adopt the going concern basis in preparing the financial statements.

Current and Future Development and Performance

Financial Health

The College's ESFA Financial Health Grading is 'Good' for 2022/23 as set out in the three-year recovery plan. It is forecast to remain 'Good' in 2023/24.

Learner Numbers

In 2022/23 the College received £15,477,000 in ESFA and West Yorkshire Combined Authority allocation funding (2021/22: £14,170,000). A total of £239,000 was received in relation to the College's Higher Education (HE) provision. The College had 4,748 SFA funded students and 490 students funded by other sources.

Learner Achievements

Overall achievement rates for our education and training learners in 2022/23 was 86% (2021/22: 89%). Apprentices' overall success was at 60% (2021/22: 50%). Success for HE students was 83% in 2022/23 (2021/22: 80%).

The FE (Further Education) 16-18 achievement rate is 78% and the 19+ rate is at 92%. Overall, FE achievement rates are broadly consistent with national rates 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 2022/23
Current Ratio	1.04	2.04
Total Borrowing as a percentage of income	15.36%	15.62%
Operating surplus/(deficit) before FRS102	£98,000	£338,000
Staff costs as a % of total income less capital grants.	65.13%	67.96%
Financial Health	Good	Good
Ofsted Rating	Good	Good

Report of the Members of the Corporation

Curriculum Developments

In November 2022, the College was inspected by Ofsted, receiving an overall judgement of 'Good' with 'Outstanding' judgements for 'Education Programmes for Young People', 'Adult Learning Programmes', 'Leadership and Management' and 'Behaviours and Attitudes'. The College was also judged as making a 'strong' contribution to meeting skills need, a standalone judgement on how effectively the College delivers skills training aligned with local, regional and national skills priorities. The curriculum planning process in 2022/23 has been supported by the Local Skills Improvement Plan (LSIP) and aligned more closely to budget-setting activity. Following a Tribal Benchmarking report, Heads of Faculty have demonstrated an improved awareness of financial planning and a heightened focus on viability including class sizes, staff utilisation and resource efficiency.

In 2022/23, the College continued to work with employers to develop its curriculum, expanding project-based learning principles across new curriculum areas. Ofsted noted that, 'Leaders have created a culture of continuous engagement with industry experts and community organisations. This provides students and apprentices across all provision types with exposure to the real world of work, through live client briefs, guest speakers and work experience opportunities.' (Ofsted, 2022) The establishment of Employer Advisory Groups in the priority sectors of Advanced Engineering and Construction; Business, Professional and Service Sector; Creative and Digital Industries and Health and Life Sciences will further enhance the responsiveness of curriculum planning by engaging with industry professionals to review, design and deliver future training.

The implementation of T Level programmes in Digital, Health has been hugely successful with students celebrating exceptional results from the first cohort of students: 100 per cent pass rates and over 80 per cent gaining high grades of Merit or Distinction. In 2022/23 all students completed high quality industry placements with a large number securing places at university or on a degree apprenticeship with businesses such as Leeds Building Society and Lloyds Banking Group. New T Levels are planned in Creative Media, Management & Administration and Engineering and Manufacturing. The College has once again used the 16-18 Tuition Fund to give additional learning to those learners who would benefit from more support to keep them on track with their studies following the impact of Covid-19 and provided access to the Employer Support Fund for businesses who have provided Industry Placements to our students.

Adult Learning Programmes performed exceptionally well in 2022/23 with WYCA providing an additional c.£300k in growth above the planned allocation of £4.65m. Adult learning was highly praised by Ofsted who commented that 'Adults who might otherwise be unlikely to engage with education participate in learning in community centres close to where they live. Adult students gain a comprehensive and conscientious education which often transforms their lives.' (Ofsted, 2022). Further Adult delivery was made possible by successfully bids to Calderdale Adult Learning, Multiply for Business and Multiply FE Booster grants.

As the college continues to support apprenticeships after the significant impact of Covid-19 over the last three years, we have stabilised the provision resulting in an expected 11% increase of in-year achievement. Ofsted reported that, 'Apprentices successfully develop new knowledge, skills and behaviours which enable them to contribute to their workplaces more effectively and confidently.' (Ofsted, 2022) With the accountability framework clearly setting national expectations, the College is confident we will achieve the minimum target of 65% achievement prior to the nationally set timeframes. Additional programmes within Electrical have proven to be extremely successful with new cohorts supporting JTL to begin at The Engineering Centre (TEC) in November 2023. Overall apprenticeship starts are 10% up on previous year with further growth expected in-year.

Report of the Members of the Corporation

Curriculum Developments (continued)

The implementation of the new end-to-end Aptem digital platform will assist senior management to review the overall provision throughout the year and enable us to identify areas of concern quickly and efficiently.

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.

Future Developments

The College has invested significantly in The Engineering Centre in regards to staffing and resources. The newly appointed Director of Operations role begins shortly and will support in the continued growth of the centre. Industry 4.0 Hub is nearing completion with new technologies in Virtual and Augmented Reality, Robotics and Additive Manufacturing.

The College continues to deliver on the government's flagship qualifications, T Levels. We saw 100% pass rate on our T Levels last academic year and have seen significant growth in 23/24 enrolments. Although unsuccessful in our T Level Capital bid, the college is committed to investing in these valuable qualifications with plans for a Health and Care Ward being proposed.

As part of the Local Skills Improvement Fund (LSIF), the college has bid for capital and revenue investment in the areas of E Sports, Computer Games Design, TV & Film and Animation. This hits two significant priority areas within the Local Skills Improvement Plan (LSIP) with Digital and Creative Industries. This project would not only see the college delivering new provision, but would also strengthen our partnership with external stakeholders such as Dean Clough, Piece Hall and many creative businesses within the region.

Resources

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

Financial

The College has £11,644,000 of net assets (including a £nil pension liability) and long-term debt of £3,553,000.

People

The College employs 461 people, of whom 222 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 £ 21,287,000 and equipment with a net book value of £800,000.

Report of the Members of the Corporation

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 frequently during the 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.

In 2022/23, the focus of Risk Management returned to normal College business as Covid-19 related risks abated.

The Department of Education (DfE) required the College to check for Reinforced Autoclaved Aerated Concrete (RAAC) in its building given concern about potential collapse of education buildings. The College followed DfE guidelines and commissioned a survey by a structural engineering company of the Percival Whitley Building. It was built in 1957 and was the only building of the recommended age in DfE guidelines. The report found no evidence of RAAC construction. DfE were advised of the outcome.

Risks were managed throughout the year and by the June 2023 Audit Committee there were no risks rated as Red / High Risk. There remained 7 Risks with a residual score of 10 or above and rated Amber / Medium Risk:

		Likelihood	Impact	Residual Risk score	Risk Appetite
F2	Impact of significant reduction in public expenditure (Direct and Indirect) that adversely impacts on the College Financial Health.	3	4	12	Cautious

Whilst there is still considerable pressure on the sector given the economic climate, the position has eased to an extent. There have not been the anticipated significant reductions in College funding: WYCA AEB rates have increased by 10% and ESFA 16-18 rates by 2.2%. The College has received confirmation that both the 16-18 Tuition Fund and the Teachers' Pension Grant have been confirmed as continuing into 2023/24.

		Likelihood	Impact	Residual Risk score	Risk Appetite
C3	Failure to effectively meet contractual requirements with External Funding Contracts	3	4	12	Averse

The College received clean Section 127 independent audits during the year but there has been an issue about the eligibility of the match funding claimed for DWP European Projects. The College continues to work with the funders to ensure that all income earned is received but has taken a prudent approach to its realisation in these accounts.

Report of the Members of the Corporation

		Likelihood	Impact	Residual Risk score	Risk Appetite
F5	Failure to achieve planned income by a significant amount that adversely impacts on the College Financial Health.	3	4	12	Cautious

The College is tracking and monitoring all income streams to ensure that they are where expected to be and that action can be taken as needed in the event that income does not materialise as forecast.

The College has continued with an improved financial position. It has secured growth funding in Adult Funding growth from West Yorkshire Combined Authority. This has offset reductions in income in apprenticeships and other employer-facing income impacted by the economic situation. The College is reporting an improved operating surplus and good financial health. The financial model has improved resilience.

		Likelihood	Impact	Residual Risk score	Risk Appetite
S7	Major Infrastructure failure including Core Systems: IT,HR, Finance & Data Services	3	4	12	Averse*

The College's major investment in 2022/23 is making significant improvement to both the robustness and the functionality of the IT Infrastructure. The new Firewalls have been installed and are working well. Latest Penetration Test found no major concerns. The new Wi-Fi has been successfully installed. Replacement of unsupported network switches is now planned. Cyber Security training and phishing tests continue. The College will renew Cyber Security Essential accreditation.

		Likelihood	Impact	Residual Risk score	Risk Appetite
S9	Failure to attract and retain suitably skilled, motivated staff	3	4	12	Open

The external labour market is currently very challenging with low unemployment and high numbers of vacancies. The cost-of-Living Crisis has emphasised the problems in the FE Sector being competitive with salaries particularly in specialist areas of construction and technology, both of which are key to College delivery. The College has introduced an employee benefits programme and an employee assistance programme.

A new staff handbook has been introduced and the College has updated its recruitment and retention strategy (for staff) to ensure the College is making every opportunity to secure and retain high quality staff.

Report of the Members of the Corporation

		Likelihood	Impact	Residual Risk score	Risk Appetite
R14	Failure to manage and successfully deliver The Engineering Centre (TEC) project	2	5	10	Open

The College has signed a 7-year lease on the building providing the College with the whole of the ground floor of the premises, allowing more breakout space for learners and staff. The College has secured a £600k grant for an industry 4.0 Hub at TEC. The College is building a good working relationship with West Yorkshire Manufacturing Services Ltd, the Landlord and partner. Some study programmes have moved to TEC which will support the apprenticeship delivery there and create a busier environment. A partnership with a private training provider for partnership is planned for 2023/24 at the TEC.

		Likelihood	Impact	Residual Risk score	Risk Appetite
H&S 15	Failure to effectively manage Health and Safety within the organisation	2	5	10	Averse*

The College has embedded the use of the trips/visit system EVOLVE, this is well established in the education sector and has helped ensure standardisation of documentation and process. The recording of near miss reporting to pro-actively manage and reduce the likelihood of accidents occurring has been promoted.

The Audit Committee has established a Health & Safety link governor who has worked with management and visited TEC. The leadership direction of health & safety has been improved including the introduction of management walks which started with Joinery workshops.

The College has retained RoSPA accreditation and is now going for British Safety Council accreditation.

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

Report of the Members of the Corporation

Stakeholder Relationships (continued)

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.

Public Benefit

Calderdale College is an exempt charity under 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 16-18. 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 and that the required statements appear elsewhere in these financial statements.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to approximately 5,100 students, including 122 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 1,050 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

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, 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.

The college publishes its Gender Pay Gap information on its website. The reported Average Pay Gap between males and females is 8.9% and the median reported Pay Gap is 8.8%. The college has robust processes in place to ensure recruitment is fair.

Report of the Members of the Corporation

Equality, Diversity & Inclusion (continued)

As part of its commitment to the mental health and wellbeing of staff and students Calderdale College is signed up to a 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 for existing staff is undertaken on a rolling 3-year basis and training for new starters is carried out on an ongoing basis.

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.

Corporation Tax

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

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.

Report of the Members of the Corporation

Trade Union Facility Time (continued)

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	£7,274
Total pay bill	£15,547,000
Percentage of total bill spent on facility time	0.047%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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Staff and Student Involvement

The College is proud of the creation of our new Strategic Plan which sets out our high ambitions for the next 3 years. This has been created in collaboration with all staff at the college which began with an all staff external event on 16 March 2023. Working groups were formed to support in the creation of our '6 P' strategy, focusing on People, Performance, Prosperity, Partnerships, Place and Planet.

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.

The college has invested significantly in a new HR system (I TRENT) with the aim to improve communication, management of our people and career development for all staff. Items such as appraisals, skills audits and holiday management will enable us to run a more effective college, whilst supporting our people to progress in their roles.

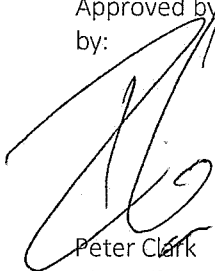
Formal representation of staff is undertaken through the recognised trade unions. Two staff and two student governors are elected by their peers. Each year students are invited to give feedback to the College through learner satisfaction surveys, the course representative system and focus groups. There 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.

Report of the Members of the Corporation

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 14 December 2023 and signed on its behalf
by:

A handwritten signature in black ink, appearing to be 'Peter Clark', written over a horizontal line.

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 financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023, and up to the date of approval of the annual report and financial statements.

Governance Code

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the 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 Code of Good Governance for English Colleges ("the Code") and
- 'whilst not having adopted the UK Corporate Governance Code 2018, the corporation has due regard to its principles and guidance'.

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. The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with/exceeds all the provisions of the Code, and it has complied throughout the year ended 31 July 2023. This opinion is based on approved a self-assessment against the Code (using the September 2021 version of the Code) at their Search and Governance Committee and reported to the Board meeting on 13 July 2023, there were no issues identified against any of the 'must' requirements.

The College Corporation has conducted an internal review of governance which included a review of individual Governor contribution, the contribution of the Chair and a review of effectiveness of the Corporation and its Committees including views from the Senior Leadership Team. The Governor Development Plan included improvement actions in the following areas; Governor interaction with college life and students, providing Governors with a better understanding of the business and curriculum areas and opportunities arising from devolution and local business, improvements to Governor Committee meetings and processes and other specific actions identified. The progress of the Governor Development Plan has been reviewed throughout the year and will be updated following the annual self-assessment process during 2023/24. The Board has planned the External Review of Governance to be undertaken by July 2024.

Corporate Governance Statement Incorporating the Statement of Internal Control

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 2022/23
Peter Clark	28.03.2013 01.08.2015 01.08.2018	To 31.07.2024 Extended to 31.7.2024 by virtue of standing order 2.2		External	Finance & Resources; Curriculum, Quality & Standards; Search & Governance; Senior Staff Employment.	100%
Jessica Ainsworth	14.7.2022	To 13.7.2026 4 years	08.06.2023	Staff	Curriculum, Quality & Standards, Search & Governance from 23.03.2023	75%
Diane Cothey	01.08.2018 01.08.2022	To 31.07.2026 4 years		External	Curriculum, Quality & Standards	60%
Rachel Court	22.05.2015 01.08.2017 08.07.2021 01.08.2023	To 31.07.2024 1 year		External	Chair of Search & Governance; Senior Staff Employment; Chair of Audit.	100%
Katherine Disley	15.10.2020	To 14.10.2024 4 years	07.09.2023	External	Audit	50%
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)	20%

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 2022/23
Adrian Furness	08.02.2019	To 07.02.2023 4 years	07.02.2023	External	Audit	0%
Jenny Grainger	06.04.2017 05.04.2021	To 05.04.2025 4 years		External	Audit; Curriculum, Quality & Standards; Senior Staff Employment; (Chair from 22.11.2019)	80%
Suzanne Griffiths	13.7.23	To 13.7.2027 4 years		Staff	Curriculum, Quality & Standards	100%
Safia Kauser	11.07.2019 10.7.2023	To 10.07.2027 4 years		External	Curriculum, Quality & Standards	60%
Richard Laycock	15.10.2020	To 14.10.2024 4 years		External	Finance & Resources	100%
Nazir Mukhtar	10.6.2022	To 9.6.2026 4 years		External	Curriculum, Quality & Standards	100%
Claire Chapman	20.10.2022	31.7.2023		Student	Curriculum, Quality & Standards	75%
Saad Mahmood	20.10.2022	31.7.2023		Student	Curriculum, Quality & Standards	50%
Malcolm Rogers	22.05.2015 01.08.2017 31.07.2021	To 31.07.2023 2 years		External	Chair of Finance & Resources; Senior Staff Employment.	100%
Greg Scully	20.04.2023	19.4.2027		External	Audit	50%

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 2022/23
Paul Waterworth	21.10.2021	To 20.10.2025 4 years		Staff	Curriculum, Quality & Standards	80%
Andrew Wright	23.04.2020	To 23.04.2024 4 years		External	Finance & Resources; Curriculum, Quality & Standards.	80%
Julia Gray	01.08.2022	In post	31.12.2022	Acting Principal	Search and Governance; Curriculum, Quality & Standards; Finance & Resources: Senior Staff Employment.	100%
David Malone	1.1.2023	In post		Principal	Search and Governance; Curriculum, Quality & Standards; Finance & Resources: Senior Staff Employment.	100%
Suzan McGladdery	13.07.2023	12.07.2027		External	Curriculum, Quality & Standards; Search & Governance; Senior Staff Employment.	100%
Martyn Stone	13.07.2023	12.07.2027		External	Audit	100%
John-Paul Yates	13.07.2023	12.07.2027		External	Finance & Resources	100%

Corporate Governance Statement Incorporating the Statement of Internal Control

The Corporation (continued)

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, safeguarding matters, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets at least once in each term and met five times during the period.

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. Minutes, 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 Principal of the College (the Accounting Officer) are separate.

All five Corporation meetings and all Committee meetings were conducted on a hybrid basis.

Corporate Governance Statement Incorporating the Statement of Internal Control

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee which comprised of five members of the Corporation during 2022/23. The Committee is responsible for the identification, selection and nomination of any new member for the Corporation's consideration (in line with the Board's skills needs). The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are usually appointed for a term of office not exceeding four years, and a maximum of two terms of four years.

Corporation Performance

The Corporation carried out a self-assessment of its own performance during the year ended 31 July 2023 and identified a small number of development opportunities. In addition each of the Committees carry out an annual self-assessment to review performance and adherence to Terms of Reference.

The Governing Body has considered DfE guidance on board reviews and has plans to commission an external reviewer during Spring 2024 but did not carry out a formal review in 2022-23.

The Governing Body is committed to development and held three Strategy Days during the year in September 2022, February 2023 and June 2023. In addition, there were a number of deep dives held within the Committees including an IT and cyber security deep dive and various curriculum spotlight sessions attended by staff and students. Governors appointed during the periods attended induction training and ESFA funding training.

The Chair of the Governing body attended regular AoC Chair and Principal update sessions and members of the Audit Committee attended specific AoC Audit Committee training.

All Governors and the Clerk are required to undertake mandatory training in Safeguarding, Prevent, Equality, Diversity and Inclusion and Data Protection. There are also additional modules on phishing and cyber security for completion. All training should be refreshed every three years.

During the year, the Clerk attended regular AoC Yorkshire and Humber Clerks network meetings and other Governance Professional training sessions.

Senior Staff Employment Committee

Throughout the year ended 31 July 2023, the Corporation's Senior Staff Employment Committee comprised five members. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal of the College (the Accounting Officer) and other senior post-holders.

Corporate Governance Statement Incorporating the Statement of Internal Control

Senior Staff Employment Committee (continued)

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 2023 are set out in note 8 to the Financial Statements.

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.

Audit Committee

The Audit Committee comprises at least four members, which can include one co-opted member. The membership excludes the Principal of the College (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 met three times in the year and included the opportunity for the College's internal and financial statement auditors to have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the ESFA, OfS and its successor organisations, as they affect the College's business.

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

Management is responsible for the implementation of agreed recommendations and internal auditors undertake periodic follow up reviews to ensure such recommendations have been implemented.

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

<u>Committee member</u>	<u>Meetings attended</u>
Mrs R Court	3 (100%)
Mr R Dunk	0 (resigned from Committee 24/11/2022)
Mrs K Disley	2 (67%)
Mr A Furness	0 (resigned from Committee 07/02/2023)
Mrs J Grainger	2 (67%)
Mr C Reeve (co-opted)	2 (67%)
Mr G Scully	0 (appointed to Committee 22/06/2023)

Corporate Governance Statement Incorporating the Statement of Internal Control

Audit Committee (continued)

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.

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.

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between the College and the funding body(ies).

The Principal is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an on-going 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 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 2023 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation through the Audit Committee.

Corporate Governance Statement Incorporating the Statement of Internal Control

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.

As a minimum, the Internal Auditors annually provide the Corporation with a report on internal audit activity in the College. The report includes the Head of Internal Audit's (HIA's) independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Internal audits were conducted by the College's Internal Auditors, ICCA, and were considered by the Audit Committee as stated above.

Risks faced by the Corporation

The Corporation has a clearly defined approach to risk management and internal control. The Board of Governors has responsibility for overseeing risk management within the Corporation as a whole. An open and receptive approach to solving risk problems is adopted by the Board of Governors. The Senior Leadership Team supports, advises and implements policies approved by the Board of Governors. Senior and middle managers, with cross-College representation, manage the process on behalf of the Corporation;

The College makes prudent recognition and disclosure of the financial and non-financial implications of risks. Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area. The Risk Register is monitored by the Audit Committee and Corporation on a termly basis.

The Principal Risks for 2022/23 are set out in the Report of the Members of the Corporation. There are no Red / High Risks identified and the 7 key risks are closely managed and monitored.

Control weaknesses identified

In 2022/23, no significant internal control weaknesses or failures have arisen.

Corporate Governance Statement Incorporating the Statement of Internal Control

Responsibilities under funding agreements

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts.

The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit Committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2022/23 and up to the date of the approval of the financial statements are:

Internal audit opinions and recommendations arising out of the audits in 2022/23 are shown below:

Ref.	Audit Title	Design	Application / Compliance	Overall Assurance	No. of recommendations & priority			
					H	M	L	A
1	Income Diversification Strategy	Advisory	Advisory	Advisory	-	-	-	-
2	Financial Strategy	Advisory	Advisory	Advisory	-	-	-	1
3	ESFA Sub-Contracting Standard (External Assurance Review)	Advisory	Advisory	Advisory	-	-	-	1
4	Capital Property Strategy	Good	Good	Substantial	-	-	-	2
5	ESFA Mock Funding Audit	Good	Adequate	Reasonable	-	4	3	1

Corporate Governance Statement Incorporating the Statement of Internal Control

Statement from the Audit Committee (continued)

The internal auditors were also able to:

“Provide management and the Audit Committee with Substantial Assurance that progress with implementing previously agreed internal audit recommendations has been timely and effective. In total, 27 recommendations were followed-up during their review. They also confirmed that:

- 11 (84%) of the previously agreed recommendations were found to have been fully implemented by management;
- 1 (8%) of the previously agreed recommendations was found to have been partially implemented by management; and,
- 1 (8%) of the previously agreed recommendations was found to have not been implemented by management and past its due date.
- The internal auditors gave an assurance opinion that confirmed:

“Based on the work undertaken during the year, and the implementation by management of previous internal audit recommendations, we can provide the Audit Committee and Corporation with Reasonable Assurance that Calderdale College’s governance, risk management, and systems of internal control were operating adequately and effectively, and that there were no instances where any breakdown of control resulted in a material discrepancy.

In our opinion, the College has adequate and effective governance, risk management, and systems of internal control in place to manage the achievement of its objectives and securing economy, efficiency and effectiveness. No significant control issues were identified in 2022/23 as a result of our work undertaken”.

For 2022/23, all the recommendations made by the internal auditors during the year were accepted by management.

Recommendations are monitored via outstanding audit points at the Audit Committee meetings.

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.

Corporate Governance Statement Incorporating the Statement of Internal Control

Review of Effectiveness (continued)

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 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior leadership team and internal audit, and taking account of events since 31 July 2023.

Based on the advice of the Audit 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 14 12 2023 and signed on its behalf by:



Peter Clark
Chair of the Corporation



David Malone
Accounting Officer

Statement on the College's Regularity, Propriety and Compliance

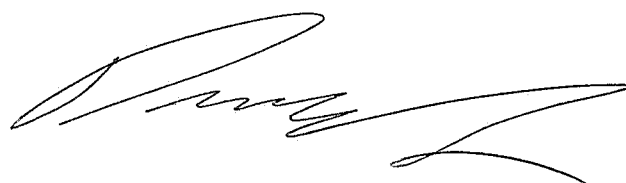
As accounting officer I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify ESFA of material irregularity,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

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

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

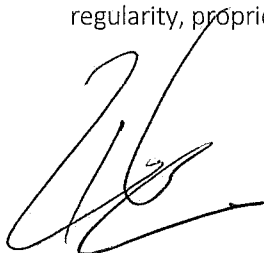
David Malone
Accounting officer

14 December 2023



Statement of the chair of governors

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



Peter Clark
Chair of governors

14 December 2023

Statement of Responsibilities of the Members of the Corporation

The members of the corporation 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 is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction, Accounts Direction issued by the Office for Students and the UK's Generally Accepted Accounting Practice

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 (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation

The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that 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 corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

Statement of Responsibilities of the Members of the Corporation

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

Approved by order of the members of the corporation on 14 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Peter Clark', written over a horizontal line.

Peter Clark, Chair of Corporation

Independent Auditor's Report to The Corporation of Calderdale College

Opinion

We have audited the financial statements of Calderdale College (the "College") for the year ended 31 July 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of the College's deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the governors with respect to going concern are described.

Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to The Corporation of Calderdale College (continued)

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

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 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note 3 to the financial statements, has been materially misstated.
- the College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Corporation of Calderdale College

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 28 to 29 the Corporation is 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 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 Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have 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.

Independent Auditor's Report to The Corporation of Calderdale College (continued)

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the College operates in and how the College is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency and Regulatory Advice 9: Accounts Direction published by the Office for Students'. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management whether the College is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates and performing tests of detail on a sample of revenue transactions together with performing a review of the appropriate application of the College's revenue recognition policy.

Independent Auditor's Report to The Corporation of Calderdale College (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 19 April 2022. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP
Chartered Accountants
First Floor
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

20/12/ 2023

Statement of Comprehensive Income

	Notes	Year ended 31 July	
		2023	2022
		£'000	£'000
INCOME			
Funding body grants	2	20,187	19,241
Tuition fees and education contracts	3	2,573	2,532
Other grants and contracts	4	668	725
Other income	5	704	785
Total income		24,132	23,283
EXPENDITURE			
Staff costs	6	16,203	17,463
Other operating expenses	7	6,908	6,409
Depreciation & Impairments	11	1,132	1,294
Interest and other finance costs	9	351	518
Total expenditure		24,594	25,684
 (Deficit) before other gains, losses and tax		 (462)	 (2,401)
 (Loss) / Gain on disposal of assets	11	 3	 -
(Deficit) before tax		(459)	(2,401)
 Taxation	10	 -	 -
(Deficit) for the year		(459)	(2,401)
 Remeasurement of net defined pension scheme	18	 5,389	 17,697
Total Comprehensive Income for the year		4,930	15,296
 Represented by:			
Restricted Comprehensive Income		-	-
Unrestricted Comprehensive Income		4,930	15,296
		4,930	15,296

All items of income and expenditure relate to continuing activities.

The notes on pages 38 to 60 form an integral part of these financial statements.

Statement of Changes in Reserves

	Income and Expenditure account	Revaluation reserve	Restricted Reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	(13,856)	5,271	3	(8,582)
(Deficit) from the income and expenditure account	(2,401)	-	-	(2,401)
Other comprehensive income	17,697	-	-	17,697
Total comprehensive income for the year	15,296	-	-	15,296
Transfers between revaluation and income and expenditure reserves	111	(111)	-	-
	15,407	(111)	-	15,296
Balance at 31 July 2022	1,551	5,160	3	6,714
(Deficit) from the income and expenditure account	(459)	-	-	(459)
Other comprehensive income	5,389	-	-	5,389
Total comprehensive income for the year	4,930	-	-	4,930
Transfers between revaluation and income and expenditure reserves	110	(110)	-	-
Balance at 31 July 2023	6,591	5,050	3	11,644


The notes on pages 38 to 60 form an integral part of these financial statements.

Balance Sheet

	Notes	2023 £'000	2022 £'000
Non current assets			
Tangible fixed assets	11	23,429	22,694
Investments	12	-	-
		<u>23,429</u>	<u>22,694</u>
Current assets			
Trade and other receivables	13	6,914	1,732
Cash and cash equivalents	14	8,552	7,286
		<u>15,466</u>	<u>9,018</u>
Less: Creditors – amounts falling due within one year	15	(7,572)	(7,318)
Net current assets		<u>7,894</u>	<u>1,700</u>
Total assets less current liabilities		31,323	24,394
Creditors – amounts falling due after more than one year	16	(19,679)	(13,087)
Provisions			
Defined benefit pension scheme	18	-	(4,592)
Total net assets		<u><u>11,644</u></u>	<u><u>6,714</u></u>
Reserves			
Restricted Reserves		<u>3</u>	<u>3</u>
Unrestricted Reserves			
Income and expenditure account		6,591	1,551
Revaluation reserve		5,050	5,160
Total unrestricted reserves		<u>11,641</u>	<u>6,711</u>
Total reserves		<u><u>11,644</u></u>	<u><u>6,714</u></u>

The financial statements were approved and authorised for issue by the Corporation on 14 December 2023 and were signed on its behalf on that date by:


Peter Clark
Chair


David Malone
Accounting Officer

The notes on pages 38 to 60 form an integral part of these financial statements.

Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash inflow from operating activities			
(Deficit) for the year		(459)	(2,401)
Adjustment for non-cash items			
Depreciation		1,132	1,294
(Increase)/Decrease in debtors		(5,182)	72
Increase/(Decrease) in creditors due within one year		245	(4,755)
Increase/(Decrease) in creditors due after one year		6,810	(416)
Pensions costs less contributions payable		656	2,192
Adjustment for investing or financing activities			
Investment income		(12)	-
Interest payable		351	518
Gain on disposal of Fixed Assets		(3)	-
Net cash inflow/(outflow) from operating activities		<u>3,537</u>	<u>(3,496)</u>
Cash flows from investing activities			
Payments made to acquire fixed assets		(1,864)	(444)
Investment income		12	-
Net cash flow from investing activities		<u>(1,852)</u>	<u>(444)</u>
Cash flows from financing activities			
Interest paid		(210)	(191)
Repayments of amounts borrowed		(209)	(201)
Net cash flow from financing activities		<u>(419)</u>	<u>(392)</u>
Increase / (decrease) in cash and cash equivalents in the year		<u>1,266</u>	<u>(4,333)</u>
Cash and cash equivalents at beginning of the year	14	7,286	11,619
Cash and cash equivalents at end of the year	14	8,552	7,286

The notes on pages 38 to 60 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 accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice; Accounting for Further and Higher Education 2019 (F & HE SORP 2019), the College Accounts Direction for 2022 to 2023 and Regulatory Advice 9; Accounts Direction issued by OfS 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.

These financial statements exclude the Colleges dormant subsidiaries and present information about the College only.

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 Report of the Members of the Corporation. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying Notes.

The College currently has £3,771,000 of loans outstanding with bankers on terms negotiated in 2010. The terms of the existing agreement are for up to another 14 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants until at least 31st December 2024.

The College has considered the worsening economic climate after the July 2022 year-end and the pressures of increasing inflation. The impact of the Energy Crisis was delayed as the College was in a fixed price energy agreement until October 2023, an estimate of significant increases is included in the 2 year rolling cash-flow. The College will undertake efficiency exercises including benchmarking to prioritise its expenditure to maintain its financial viability.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence until at least 31st December 2024 and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Notes to the Financial Statements

Recognition of Income

Grants – government and non-government

Revenue grant funding

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Adult Education Budget ('AEB') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement between the college and the ESFA at the reporting period end date. Any subsequent agreement to determination of the AEB funding after the reporting end date which is not provided for in the annual main funding guidance is not reflected in the income recognised.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

Levy-funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

The recurrent grant from the Office for Students ('OfS') represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

Grants from non-government sources, including grants relating to assets, are recognised in income when the performance-related conditions have been met and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

Capital grant funding - government grants

Government capital grants for assets, other than/including land, are accounted for under the accruals model and for land the performance model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

Income from tuition fees, including employer funding for co-investment funded apprenticeships is recognised over the period for which it is received. All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

Accounting for Post-employment Benefits

Retirement benefits to employees of the Corporation are principally provided by Teachers' Pensions Scheme (TPS) and the Local Government Pension Scheme (LGPS) (West Yorkshire Pension Fund) ("WYPF"), which are multi-employer defined benefit plans.

Notes to the Financial Statements

Accounting for Post-employment Benefits (continued)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Corporation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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.

Notes to the Financial Statements

Land and Buildings (continued)

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.

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.

Subsequent Expenditure on Existing Fixed Assets

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred. These subsequent costs are then depreciated over their estimated useful life which will depend on a variety of criteria (refurbishments over 10 years).

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, is treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Notes to the Financial Statements

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.

Financial Instruments

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

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

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty (continued)

Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Determine the existence of a minimum funding requirement for the Local Government Pension Scheme to including in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and is the inherent implied continuance and the operation of the primary and secondary contributions.

Other key sources of estimation uncertainty:

Tangible Fixed Assets

Tangible fixed assets, 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 position depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions position at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount on the pension liability.

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.

The Corporation acts as an agent in the running of ESF Co-financing projects (Skills Enhancement Fund), the Work Place Learning project and Kickstart project. Related payment received from the ESFA and subsequent disbursements to project partners 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.

Notes to the Accounts (continued)

2 Funding body grants

	2023 £'000	2022 £'000
Recurrent grants		
West Yorkshire Combined Authority - Adult Education Budget	4,945	4,826
Education and Skills Funding Agency – 16-18	10,483	9,344
ESFA Adult Education Budget	49	-
Education and Skills Funding Agency – apprenticeships	2,469	2,416
Office for Students	239	134
Specific grants		
Education and Skills Funding Agency - 16-18 Tuition Funding	268	288
Education and Skills Funding Agency	946	1,511
Releases of government capital grants	435	421
Teacher Pension Contribution	353	301
Total	20,187	19,241

3 Tuition fees and education contracts

	2023 £'000	2022 £'000
Adult education fees	239	281
Apprenticeship fees and contracts	62	38
Fees for HE loan supported courses	1,076	1,246
Fees for FE loan supported courses	378	408
Total tuition fees	1,755	1,973
Education contracts	818	559
Total	2,573	2,532

Notes to the Accounts (continued)

3 Tuition fees and education contracts (continued)

Office for Students (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 Education and Skills Funding Agency's (ESFA) finance record. An additional table is provided with the required analysis.

Total Grant and Fee Income

	2023 £'000	2022 £'000
Grant income from the Office for Students	239	134
Grant Income from other bodies	19,948	19,107
Fee income for taught awards (exclusive of VAT)	2,573	2,532
Total HE grant and fee income	22,760	21,773

4 Research grants and contracts

	2023 £'000	2022 £'000
National Funds	1,077	629
European Funds	(409)	92
Coronavirus Job Retention Scheme grant	-	4
Total	668	725

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 nil staff(2022 10) of £nil (2022 £3,803) relates to staff costs which are included within the staff costs note below as appropriate.

5 Other Income

	2023 £'000	2022 £'000
Other income generating activities	298	424
Miscellaneous income	394	361
Interest	12	-
Total	704	785

Notes to the Accounts (continued)

6 Staff costs

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

	2023 No.	2022 No.
Teaching staff	222	224
Non-teaching staff	239	249
	<u>461</u>	<u>473</u>

The above figures include a total of 11 (2022: 30) staff on fixed term contracts.

Staff costs for the above persons

	2023 £'000	2022 £'000
Wages and salaries	11,405	11,392
Social security costs (including Apprentice Levy)	1,079	1,086
Other pension costs (incl. FRS102(28.11) adjustments £2,192k (2021: £2,167))	2,728	4,156
Payroll sub total	15,212	16,634
Contracted out staffing services	893	714
	<u>16,105</u>	<u>17,348</u>
Restructuring costs - Contractual	87	96
Restructuring costs - Non contractual	11	19
Total staff costs	<u>16,203</u>	<u>17,463</u>

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

0 - £25,000	8
£25,001 - £50,000	1
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000+	-
Total	9

Included in staff restructuring costs are special severance payments totalling £11,400 (2022 - £19,000). There was one non-contractual payment of £11,400 (2022 £19,000)

A general pay award of 2.25% was made with effect from 1st January 2023 which was approved by the Corporation.

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

Notes to the Accounts (continued)

6 Staff costs (continued)

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. At the start of the financial year, this comprised of Acting Principal (to 31 December 2022), Vice Principal (Corporate Services), Director of Commercial Services and Partnerships, and the Clerk to the Corporation. From the January, the Senior Leadership Team was comprised of Principal, Deputy Principal (Quality, Curriculum Development and Student Experience), Vice Principal (Corporate Services), Director of Commercial Services and Partnerships and the Clerk to the Corporation.

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

	2023	2022
The number of key management personnel including the Accounting Officer was:	<u>6</u>	<u>5</u>

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

	Key management personnel		Other staff	
	2023 No.	2022 No.	2023	2022 No.
£65,001 to £70,000	-	2	1	1
£70,001 to £75,000	1	-	-	-
£75,001 to £80,000	1	2	-	-
£85,001 to £90,000	1	-	-	-
£90,001 to £95,000	1	-	-	-
£120,001 to £125,000	2	-	-	-
£135,001 to £140,000	-	1	-	-
	<u>6</u>	<u>5</u>	<u>1</u>	<u>1</u>

There is also within the key management personnel, but not included above, one part time worker when grossed up was paid in the £45,001 to £50,000 band in 2023 (2022 this individual fell into the £45,001 to £50,000 band)

Notes to the Accounts (continued)

6 Staff costs (continued)

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

Key management personnel compensation is made up as follows:	2023 £'000	2022 £'000
Salaries – gross of salary sacrifice and waived emolument:	367	429
Compensation for loss of office	-	36
Employer's National Insurance	46	58
Benefits in kind	3	-
	<u>416</u>	<u>523</u>
Pension costs	<u>64</u>	<u>90</u>
Total emoluments	<u><u>480</u></u>	<u><u>613</u></u>

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 member of staff) of:

Accounting Officer	2023 £'000	2022 £'000
Salaries	109	137
Pension contributions	17	33
Relocation	3	-
	<u><u>129</u></u>	<u><u>170</u></u>

In year, the college had two Accounting Officers in post. The Vice Principal Corporate Services held the position from 1 August 2022 to 31 December 2022 with a salary of £38K and pension of £7K. The Principal held the position from 1st January 2023 onwards with a salary of £72K, pension of £10K and relocation expenses of £3K

The pension costs in respect of the Accounting Officer and key management personnel are in respect of employer's contributions paid 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.

The total expenses paid to Governors (1 Governor) during the year was £30.60 (2022 £222.30 2 Governors). 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 Accounts (continued)

6 Staff costs (continued)

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

Key management personnel had their pay reviewed from 1 January 2023. They received an increase of 2.25%. These increases were approved by the Corporation. Emoluments of key management personnel are recommended to Corporation by the Senior Staff Employment committee who also review the performance of Principal, Vice Principal, Deputy Principal and the Clerk to the Corporation.

Relationship of Group Principal & Chief Executive's pay	2023	2022
Principal & Chief Executive's basic salary as a multiple of the median of all staff, where the median pay is calculated on a full time equivalent basis for the salaries paid by the provider to its staff	4.5	5.2
Principal & Chief Executive's total remuneration as a multiple of the median of all staff, where the median pay is calculated on a full time equivalent basis for the salaries paid by the provider to its staff	4.8	5.4

7 Other operating expenses

	2023 £'000	2022 £'000
Teaching costs	4,267	4,296
Non-teaching costs	854	851
Premises costs	1,787	1,262
Total	6,908	6,409

Other operating expenses include:	2023 £'000	2022 £'000
Auditors' remuneration(excluding VAT):		
Financial statements audit	64	37
Internal audit fees	15	15
Other services provided by financial statements auditor *		
Teachers Pensions	1	1
Impairment Losses	-	182
Hire of assets under operating leases	336	135

8 Write offs, losses, guarantees, letters of comfort, compensation

Included within expenditure are the following transactions, individual transactions exceeding £5,000 are identified separately

	Total	Individual amounts above £5,000	Reason
Compensation Payments	-	-	
Write Offs and losses	£16,406	£5,490	HE Invoice
Guarantees, letters of comfort and indemnities	-	-	

The following ex-gratia payments were made: nil

Notes to the Accounts (continued)

9 Interest payable and other finance costs

	2023 £'000	2022 £'000
On bank loans, overdrafts and other loans:	210	191
Repayable within five years, by instalments		
Repayable wholly or partly in more than five years	210	191
Net interest on defined pension liability (Note 18)	141	327
Total	351	518

10 Taxation

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

11 Tangible fixed assets

	Freehold Land and Buildings £'000	Equipment £'000	Assets Under Construction £'000	Total £'000
Cost or valuation				
At 1 August 2022	30,749	6,746	-	37,495
Additions	36	486	1,342	1,864
Disposals	-	(185)	-	(185)
At 31 July 2023	30,785	7,047	1,342	39,174
Depreciation and impairments				
At 1 August 2022	8,669	6,132	-	14,801
Charge for the year	829	303	-	1,132
Disposals	-	(188)	-	(188)
At 31 July 2023	9,498	6,247	-	15,745
Net book value at 31 July 2023	21,287	800	1,342	23,429
Net book value at 31 July 2022	22,080	614	-	22,694

Tangible fixed assets inherited from Calderdale Council at incorporation with a net book value of £5,050,000 (2022: £5,160,000) 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 being cost nil and aggregate depreciation of nil.

Notes to the Accounts (continued)

12 Investments

	Total £'000
Cost	
At 1 August 2022 and 31 July 2023	<u>450</u>
Amounts Written Off	
At 1 August 2022 and 31 July 2023	<u>(418)</u>
Amounts owed to dormant subsidiary transferred to	<u>(32)</u>
Net Book amount at 31 July 2023 and 31 July 2022	<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.

13 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade receivables	41	140
Prepayments and accrued income	6,704	1,460
Amounts owed by the ESFA	<u>169</u>	<u>132</u>
Total	<u>6,914</u>	<u>1,732</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 2022/23 (2021/22 £3,000).

14 Analysis of changes in net funds

	Cash flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	1,266	8,552
Bank Loans	<u>209</u>	<u>(3 771)</u>
Net Funds	<u>1,475</u>	<u>4,781</u>

Notes to the Accounts (continued)

15 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Bank loans (Note 17)	218	209
Trade payables	334	236
Other taxation and social security	317	311
Other Creditors	953	896
Accruals and deferred income	4,589	4,849
Deferred income – government capital grants	842	498
Amounts owed to the ESFA	319	319
Total	7,572	7,318

16 Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Bank loans (Note 17)	3,553	3,771
Deferred income – government capital grants	16,126	9,316
Total	19,679	13,087

17 Debt

Bank loans

Bank loans are repayable as follows:	2023 £'000	2022 £'000
In one year or less	218	209
Between one and two years	225	218
Between two and five years	737	706
In five years or more	2,591	2,847
Total	3,771	3,980

The bank loan with an arrangement principal of £3,771,000 is repayable by instalments falling due between 1 August 2023 and 30 September 2036 at an interest rate of 5.5% per annum on £2,970,000 and 3-month Sterling Overnight Index Average (Sonia) plus 1.3% on £801,000.

Notes to the Accounts (continued)

18 Pensions 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 2020 and the WYPF 31 March 2022.

Total pension cost for the year	2023 £'000	2022 £'000
Teachers' Pension Scheme: contributions paid	915	897
Local Government Pension Scheme:		
Contributions paid	1,157	1,067
FRS 102 (28) charge	656	2,192
Charge to the Statement of Comprehensive Income	1,813	3,259
Total Pension Cost for Year within staff costs	2,728	4,156

At 31 July, there was £230k outstanding employer's contributions due to the two schemes which were both paid over in August 2023 (2022: £220k).

Teachers Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. 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. The TPS is a multi-employer employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Valuation of the Teachers Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

Notes to the Accounts (continued)

18 Pensions and Similar Obligations (continued)

Valuation of the Teachers Pension Scheme

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (this change has had the greatest significance)

As a result of the valuation, new employer contribution rates for set at 28.6% of pensionable pay from 1st April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration charge). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2021-22 academic year, and currently through to July 2024.

The next valuation (2022) result is due to be implemented from 1 April 2024.

The pension costs paid to TPS in the year amounted to £915,000 (2022: £897,000).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit plan, with the assets held in separate funds administered by West Yorkshire Pension Fund. The total contribution made for the year ended 31 July 2023 were £1,545,000 (2022: £1,438,000) of which employer's contributions totalled £1,157,000 (2022: £1,067,000) and employees' contributions totalled £338,000 (2022: £371,000). The agreed contribution rates for future years are 18.8% for employers and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Principal Actuarial Assumptions

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

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.9%	3.9%
Future pensions increases	2.6%	2.6%
Discount rate for scheme liabilities	5.0%	3.5%
Inflation assumption (CPI)	2.6%	2.6%

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

	At 31 July 2023	At 31 July 2022
<i>Retiring today</i>		
Males	21.0	21.8
Females	24.1	24.6
<i>Retiring in 20 years</i>		
Males	22.2	22.5
Females	25.1	25.7

Notes to the Accounts (continued)

18 Pensions and Similar Obligations (continued)

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

	Fair Value at 31 July 2023 £'000	Fair Value at 31 July 2022 £'000
Equity instruments	27,978	26,464
Property	1,153	1,335
Government Bonds	2,585	2,303
Corporate Bonds	1,572	1,435
Cash	1,362	1,335
Other	279	501
Total fair value of plan assets	34,929	33,373
 Actual Return On Plan Assets	 895	 1,043
 Present value of defined benefit obligations	 2023 £'000	 2022 £'000
Fair value of plan assets	34,929	33,373
Present value of plan liabilities	(31,889)	(37,965)
 Net asset/ (liability)	 3,040	 (4,592)
Restriction to level of ceiling asset	(3,040)	-
 Net asset recognised in the balance sheet	 -	 (4,592)

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service cost	1,813	3,259
Total	1,813	3,259
 Amounts included in interest payable		
Net interest on defined pension asset/liability	(141)	(327)

Notes to the Accounts (continued)

18 Pensions and Similar Obligations (continued)

Amounts recognised in Other Comprehensive Income	2023	2022
Asset gains(losses) arising during the period	(285)	500
Liability gains(losses) during the period	8,714	17,197
Restriction to level of ceiling asset	(3,040)	-
Amount recognised in Other Comprehensive Income	<u>5,389</u>	<u>17,697</u>
	2023	2022
Movement in net defined benefit (liability) / asset during the year	£'000	£'000
Net defined (liability) / asset in scheme at 1 August	(4,592)	(19,770)
Movement in the year:		
Current service cost	(1,813)	(3,259)
Employer contributions	1,157	1,067
Net interest on the defined liability	(141)	(327)
Actuarial gain	8,429	17,697
Net defined benefit (liability) / asset at 31 July before restriction to level of ceiling asset	<u>3,040</u>	<u>(4,592)</u>
Asset and Liability Reconciliation	2023	2022
	£'000	£'000
Changes in the present value of defined benefit		
Defined benefit obligations at start of period	37,965	51,298
Current service cost	1,813	3,259
Interest cost	1,321	870
Contributions by Scheme participants	388	371
Actuarial (gains) and losses on liabilities	(8,714)	(17,197)
Actuarial losses in respect of pension	-	-
Changes in financial assumptions	-	-
Net benefits paid out	(884)	(636)
Defined benefit obligations at end of period	<u>31,889</u>	<u>37,965</u>
Changes in fair value of plan assets	2023	2022
	£'000	£'000
Fair value of plan assets at start of period	33,373	31,528
Interest on plan assets	1,180	543
Return on assets	(285)	500
Employer contributions	1,157	1,067
Contributions by Scheme participants	388	371
Net benefits paid	(884)	(636)
Fair value of plan assets at end of period	<u>34,929</u>	<u>33,373</u>

Notes to the Accounts (continued)

19 Capital commitments

	2023 £'000	2022 £'000
Land and buildings		
Commitments contracted for at 31 July	<u>2,302</u>	<u>29</u>

20 Lease obligations

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

	2023 £'000	2022 £'000
Future minimum lease payments due:		
Land and buildings		
Not later than one year	326	273
Later than one year not later than five years	1,301	1,024
Later than five years	<u>505</u>	<u>510</u>
	<u>2,132</u>	<u>1,807</u>

21 Related Party Transactions

Key Management compensation is given in Note 6

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 2022/23 (21/22 £3,000).

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

22 Access and Participation Expenditure

	2023 £'000	2022 £'000
Access investment	46	44
Financial support provided to students	16	17
Support for disabled students	-	-
--Research and evaluation related to access and participation	-	-
Total access and participation expenditure	<u>62</u>	<u>61</u>

Note. "Financial support provided to students" for 2022 includes £57,000 funded by OfS.

The College's access and participation plan is available on the College's website at:
<https://www.calderdale.ac.uk/university-centre/access-agreement/>

Notes to the Accounts (continued)

23 Amounts disbursed as agent

Learner support funds

	2023 £'000	2022 £'000
Balance brought forward	899	845
Funding body grants – bursary support	130	135
Funding body grants – discretionary learner support	364	325
	<u>1,393</u>	<u>1,305</u>
Disbursed to students	(251)	(311)
College Allocation		(23)
Paid on behalf of students	(115)	(72)
Deferred income carried forward	-	-
	<u>1,027</u>	<u>899</u>

ESF Co-Financing (inc Skills support for the workforce)

	2023 £'000	2022 £'000
Balance brought forward	725	818
ESFA Grants	3,224	3,367
	<u>3,949</u>	<u>4,185</u>
Disbursed to partners	(3,000)	(2,803)
College Allocation	(725)	(657)
	<u>224</u>	<u>725</u>

Sheffield Skills Bank

	2023 £'000	2022 £'000
Balance brought forward	206	4,587
Receipts	-	-
	<u>206</u>	<u>4,587</u>
Disbursed to partners	(166)	(539)
Repaid	-	(3,525)
College Allocation	-	(317)
	<u>40</u>	<u>206</u>

Notes to the Accounts (continued)

23 Amounts disbursed as agent (continued)

Kickstart

	2023 £'000	2022 £'000
Balance brought forward	4	6
Receipts	-	864
	<hr/> 4	<hr/> 870
Disbursed to partners	-	(665)
College Allocation	(3)	(201)
	<hr/>	<hr/>
Balance unspent as at 31 July	<hr/> <u>1</u>	<hr/> <u>4</u>

Independent reporting accountant's report on regularity to the Corporation of Calderdale College and Secretary of State for Education acting through the Education and Skills Funding Agency

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 19 April 2022 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Calderdale College during the period 1 August 2022 to 31 July 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

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.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management.

Responsibilities of Corporation of Calderdale College for regularity

The Corporation of Calderdale College is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of Calderdale College is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

Reporting accountant's responsibilities for reporting on regularity

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.

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 the procedures performed vary in nature and timing from,

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

Reporting accountant's responsibilities for reporting on regularity (continued)

and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to the Corporation of Calderdale College and the Secretary of State for Education acting through 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 Secretary of State for Education acting through the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of Calderdale College and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants

Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Date

20/12/2023