



Report and Financial Statements

Financial Year 1st August 2022 – 31st July 2023



Key Management Personnel, Board of Governors and Professional Advisors

Key Management Personnel

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

Marcus Smith-Connor: Principal and Accounting Officer
 Angela Williams: Former Principal and Accounting Officer (resigned August 2022)
 Julie Thomas: Vice Principal Planning & Operations (resigned December 2022)
 Claire Coupland: Acting Assistant Principal, Operations and Compliance (from January 2023)
 Lee Goddard: Assistant Principal - Student Support
 Kam Rogerson: Assistant Principal – Curriculum
 Catherine Cushnie: Assistant Principal – Student Development
 Maria Dean: Assistant Principal – Teaching & Learning
 John Flynn: Chief Finance Officer

Board of Governors

A full list of Governors is given on page 12 & 13 of these financial statements.

Mrs C Coupland acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial Statements and Regularity Auditors:

Wylie & Bisset (Audit) Limited
 168 Bath Street
 GLASGOW
 G2 4TP

Internal Auditors:

TIAA Limited
 Artillery House
 Fort Fareham
 Newgate Lane
 FAREHAM
 PO14 1AH

Bankers:

Virgin Money (formerly Yorkshire Bank)
 40 New Street
 HUDDERSFIELD
 HD1 2BT

Loan Providers:

Barclays Bank
 69 Albion Street
 LEEDS
 LS1 5LD

Solicitors:

Gordons LLP
 1 New Augustus Street
 Bradford
 BD1 5LL



Annual report and financial statements for the year ended 31st July 2023

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Strategic Report

Objectives and Strategy

The members of the Corporation have great pleasure in presenting their report and the audited financial statements for the year ended 31st July 2023.

During the period, key highlights, achievements and developments included:

- The 2022-23 student outcomes for all qualification aims were self-assessed as 'good'; the College is well on track to fully recover from the prolonged period of disruption caused by the pandemic
- Student progression from the College remains a key strength - 88% of students progressed to positive destinations (education, employment, apprenticeships)
- Maintenance of an 'Outstanding' financial health rating, with an ESFA funding rate of £4,542 per student for 2022-23, continuing pension, pay award and other inflationary cost increases, and an adverse (but much reduced) non-cash pensions effect of £252,000 (2021-22 £751,000). The outturn cash figure at 31 July 2023 remained strong at £4.162m.

The result of the latest full Ofsted inspection (undertaken in late November 2023) will be published in January 2024. A previous inspection was carried out in April 2016, at the end of which the overall effectiveness of the College was graded as 'Outstanding'. All contributory grades were also graded as 'Outstanding'; effectiveness of leadership & management, quality of teaching, learning & assessment, personal development, behaviour & welfare, outcomes for learners, and 16 to 19 study programmes.

Legal Status

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

Vision, Mission, Strategy & Objectives

The College's vision, mission, and values were revised and approved by its' members.

Vision: One HNC. Together we open minds, embrace difference and empower each other to shape a better future.

Mission: One HNC, a college where students love to learn and staff love to work. Where students earn life-changing qualifications. Where we develop the confidence to live authentically and the courage to shape a better future.

Values: Authenticity, self-discipline, passion, innovation, respect, empathy.

Public Benefit

Huddersfield New College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the Charity, are disclosed on pages 12-13.

In setting and reviewing the College's strategic objectives, the Governing Body had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its' vision and mission, the College provides the following identifiable public benefits through the advancement of education:

- A broad and responsive curriculum that meets student needs and interests, as well as local, regional but particularly national economic priorities.
- Wider participation in post 16 education, particularly at level 3.



Strategic Report

- High quality teaching and learning and excellent student outcomes, unlocking potential at level 3.
- Effective personal support and guidance.
- The development of employability skills and the provision of 'confident, skilled and ambitious' young people to local, regional and national employers.
- Increased numbers of 19-year-olds with GCSE maths & English (passport qualifications).
- Positive progression into higher education, apprenticeships and employment.
- The provision of excellent facilities for community use.
- The development of sustainable, mutually beneficial partnerships with local schools, universities, employers and communities.
- The promotion of community cohesion.
- Increased public learning and knowledge.
- The provision of good jobs in the locality, being an anchor institution and helping to build local wealth through employment.

Corporate Social Responsibility

Huddersfield New College's key Corporate Social Responsibility is to open minds, embrace difference and empower each other to shape a better future.

Empowering Students:

- Improving what they know, understand and can do
- Developing their cultural capital
- Unlocking their potential at Level 3
- Encouraging hope and ambition for their future
- Broadening their horizons
- Preparing them as the skilled workforce (Level 3 and above) for the local, regional and national economy
- Increasing their future potential earning capacity
- Developing their understanding, appreciation and celebration of life in a diverse modern Britain

Empowering Staff:

- Providing a purposeful, values-driven, impact-focussed place to work
- Creating an enabling culture
- Encouraging innovation and developing talent
- Supporting personal and career development
- Recognising and valuing positive contributions
- Rewarding fairly through transparent pay frameworks
- Promoting equality of opportunity
- Promoting health and well-being and supporting a positive work / life balance
- Developing their understanding, appreciation and celebration of life in a diverse modern Britain

Empowering the wider community:

- Preparing and providing 'confident, skilled and ambitious' young people to local, regional and national employers (Kirklees Economic Strategy 2019-25 Priority 2)
- Helping to provide 'good jobs' in the locality, being an anchor institution and helping to build local wealth through employment (Kirklees Economic Strategy 2019-25 Priority 3)
- Promoting equality of opportunity and trying to reduce inequality (Kirklees Economic Strategy 2019-25 Vision: Exclusivity)
- Promoting community cohesion (Kirklees Economic Strategy 2019-25 Priority 5)
- Providing an excellent use of public funds, and an excellent return on investment for taxpayers

Huddersfield New College also recognises its' environmental responsibility to carry out its' corporate social responsibility in a way that is sensitive to the environment. In this respect the College actively promotes a 'green agenda' with governors, staff and students and conduct its' activities as far as possible in an environmentally friendly way.



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Sustainability

At HNC, we are accelerating our sustainability commitments with the launch of our first Sustainability Strategy. The strategy highlights our commitments and intended key milestones which we will be working towards to protect and preserve the planet for future generations.

Through the creation and delivery of the Sustainability Strategy, we will build on the College's existing sustainability efforts and focus our plans. The Sustainability Strategy follows a whole College approach and with that, we will work to have every staff member and student understanding sustainability.

We recognise that we have a duty to equip our students with the tools and skills to face sustainability challenges. We also embrace the opportunity to embed sustainable learning and values throughout the College and the wider community.

The College has therefore set a target to become net zero carbon by 2038 through reducing energy demand, engaging in positive behaviour change, utilising new technologies and renewable energies. We are committed to a genuine reduction in our carbon footprint with minimal offsetting complementing our efforts where appropriate.

Implementation of The Strategic Plan

The 3-year strategic plan covers the period 1st August 2023 to 31st July 2026. This was approved by the Corporation in May 2023. The College's strategic goals for 2023-26 are grouped under the following headings:

- Modern: Opening Minds
- Progressive: Embracing Difference
- Innovative: Shaping a Better Future

The key performance indicators, relating to the strategic goals in this Strategic Plan, are monitored by the Corporation on an annual basis.

Financial Objectives

The College's main financial goal in The Strategic Plan for 2023-26 is to maintain financial health, as determined by the Education and Skills Funding Agency (ESFA) criteria, at Outstanding.

This encompasses the following:

- To ensure operating expenditure does not exceed income in any financial year
- To increase income, where possible, for example, through effective treasury management
- To control staff costs and to keep these at or below the Sixth Form College Sector average (71%)
- To maintain a healthy cash flow
- To deliver an EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation ratio) of 1% or above
- To maintain a healthy level of cash in the bank (2 months expenditure minimum)
- To continue to comply with the one remaining loan covenant

Key Performance Indicators

A series of key performance indicators (KPI's) have been agreed to monitor the successful implementation of the Strategic Plan to help maintain the College's 'Outstanding' Ofsted grade and 'Outstanding' financial health grade. The financial KPI's are informed by national guidance, including from the FE Commissioners Office. The College is currently expected to maintain the 'Outstanding' financial health grade through to the end of current financial period, 31st July 2023.

The College aims to maintain 'Outstanding' financial health, whilst continuing to invest in College resources wherever possible in a challenging financial climate. These dual aims were achieved in 2022-23.

The College is required to complete the annual Finance Record or equivalent for the ESFA. The College is assessed by the ESFA as having 'Outstanding' financial health.



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Financial Position

Financial results

The College generated an operating surplus during the year ended 31st July 2023 of £792,000 (2021-22: deficit £151,000) including £252,000 WYPF adverse revenue (adverse revenue in 2021-22 £751,000). The College had accumulated reserves before a WYPF gain of £18,981,000 (2021-22 before a WYPF gain: £11,515,000), and after the WYPF gain of £19,947,000 (2021-22: after a WYPF gain £18,189,000) and cash balances of £4,162,000 as at 31st July 2023 (2021-22: £3,947,000).

The liquidity of the College remained strong during the year, with net current assets of £2,614,000 (2021-22: £2,444,000) and the adjusted current ratio remaining positive at 2.20 (2021-22: 3.02), after the continued investment in College resources during the year, the non-cash effects of the holiday pay accrual (£459,000) and the government capital grant creditor £151,000 (2021-22 £171,000). The WYPF liability *decreased* significantly to NIL after an in year pension's gain of £966,000.

Tangible fixed asset additions during the year amounted to £2,770,000 (2021-22 £1,555,000). The College continues to have significant reliance on the ESFA funding body for its principal funding source. Despite an increase in the national funding rate for students, with increases in costs in the next few years, the College aims to maintain a balanced budget to at least July 2024, where cash, on average, is maintained at £2.0 million or above, expenditure does not exceed income (on a cash basis), and the College maintains 'Outstanding' financial health.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, banking, money market and capital market transactions through the effective control of the risks and the pursuit of optimum performance consistent with the risks associated with these activities.

The College has a separate treasury management policy in place.

Following the process of ONS (Office for National Statistics) re-classification in November 2022, all borrowing requires prior authorisation by the ESFA. There was no borrowing requirement in 2022-23.

Cash flows

At £2,052,000 (2021-22 £1,738,000), operating cash in-flow was strong. There was a net cash outflow from investing activities of £1,672,000 (2021-22 outflow £1,534,000) representing significant investment in the campus estate and IT facilities offset by net cash outflows from financing activities of £165,000 (2021-22 £198,000).

Reserves Policy

The College's current cash reserves parameter is to ensure the College maintains the cash level to support the current Outstanding financial health throughout the year, with any surplus to this being available if required for agreed one off developments discussed through the Finance Committee. This currently allows a minimum cash reserve figure of £2.0 million as at 31st July, after taking account of timing differences, with any balancing figure being effectively a reserve for potential developments to be agreed through the Finance Committee and then Corporation.

Liquidity

The size of the College's total borrowing, and its approach to interest rates have been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year this margin was comfortably exceeded.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 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 is 95%. During the year ended 31st July 2023, the College met this target and incurred no interest charges in respect of late payment.



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Current and Future Development and Performance

Student numbers

In 2022-23 the College received its' main student numbers based grant of £13,533,000 for 2,667 students. In 2023-24 The College will receive funding for 2,675 students.

Student achievements

- The summer 2023 outcomes have been self-assessed as good. The key contextual factors that were considered by SLT when reaching this judgement were:
 - IAG ('right student, right course') was much more challenging due to the TAG grades. The College made the decision from the outset that students' grades would be taken at face value and students were enrolled onto courses which aligned with their grade profile. As the College recruits students on the border line between A level and L3 applied, and the borderline between Level 3 and Level 2 the importance of students enrolling onto courses that are appropriate for them is paramount. The TAG grades significantly reduced the effectiveness of the enrolment process. The growth in A level exam entries (from 1,097 in 2019 to 1,365 in 2023) was largely due to the inflated TAGs that many students had.
 - Enrolling many students onto study programmes that they would not have been enrolled on to in a 'normal' year negatively impacted all key measures - retention, pass rates, high grades and value added.
 - There was another significant increase in the number of students experiencing mental health issues which negatively impacted on their capacity to sustain full time study programmes.
- A level outcomes have dropped on all measures compared to 2019. A level high grades (A*-B) and A*-C grades are significantly below the national rate. The A level pass rate is below the national rate. A level value-added measures place the College within the bottom 40% of providers nationally; the value-added QI score is characterised by Alps as below average.
- Level 3 applied (BTEC) results are slightly below national rates for passes and are above national rates for high grades on diploma / extended diploma courses. Differential performance is also notable, high grade outcomes get stronger on courses in which coursework marks have a bigger weighting on the final grade profile than external assessment (Diploma / Extended Diploma).
- BTEC outcomes at Level 2 are strong and above national averages on most measures.
- GCSE maths and English pass rates (grades 9 – 4) remain significantly above the 17 year old rate.
- Equality and diversity analysis of the outcomes achieved by different cohorts of students (gender, disadvantage, prior attainment, ethnicity, SEND) shows that the A level outcomes of disadvantaged students on all measures were below the rest of the cohort. SEND students achieved better outcomes than the rest of the cohort.
- The College's improvement priorities for 2023/24 are:
 - Establish consistently accurate and timely key academic performance data to inform self-assessment analysis and quality improvement priorities at every level.
 - Teachers to consistently implement the 5-step teaching model to promote student achievement and progress.
 - Establish the College's ABC expectations as a lived reality for all students.
 - Embed the cultural capital strategy throughout the College's provision.
 - Embed OneHNC culture to create a self-sustaining process of honest reflection, ongoing improvement, and supportive challenge.
 - Undertake a review of teachers' contractual arrangements and custom and practice within faculties to ensure that annual directed hours are deployed as effectively as possible to promote student learning and progress.

Curriculum Development

HNC's curriculum offer is reviewed annually. Strategic decisions about the College's curriculum are made in accordance with eight criteria. The key strategic aim is for the curriculum offer to successfully deliver the College's curriculum intent. HNC's Curriculum intent is to educate, enrich and enlighten:



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- Engendering in our students a love of learning and a passion for the subject.
- Equipping our students with the qualifications, knowledge and skills to flourish in their aspirational next step.
- Empowering our students with the confidence to live authentically and the courage to shape a better future.

The specific criteria that are used when reviewing the curriculum are the extent to which a course:

1. Educates, enriches and enlightens students by improving their knowledge, skills and achievement in the broadest sense.
2. Promotes social inclusion.
3. Meets the needs and aspirations of students in the local community.
4. Enhances the progression options open to students when completing their study programme, primarily to Higher Education but also to apprenticeships and employment.
5. Makes a positive contribution to local, regional and particularly national employer priorities and employment opportunities.
6. Supports the achievement of the College's strategic priorities (this includes the requirement that courses must be financially viable).
7. Contributes to a balanced and broadly academic Level 3 curriculum.
8. Promotes a high-quality, challenging educational experience.

The outcomes of the annual review of the College's curriculum in 2022/23 are summarised in the table below.

Course and level	Rationale for change	Key Dates
Courses removed from the College's curriculum		
NCFE CACHE Technical Level 3 Diploma in Childcare and Education (Early Years Educator)	This course did not meet criteria 7 on the basis that the College is not introducing T levels (and this course will be superseded by a T level).	The final cohort of Year 13 students will complete this course at the end of the in 2023/24 academic year.
BTEC Level 2 Extended Certificate Health & Social Care	This course did not meet criteria 7.	Removed from the course offer – no new enrolments from August 2023.
BTEC Level 2 Extended Certificate Sport	This course did not meet criteria 7.	Removed from the course offer – no new enrolments from August 2023.
BTEC Level 2 Extended Certificate IT	This course did not meet criteria 7.	Removed from the course offer – no new enrolments from August 2023.
BTEC Level 3 Extended Diploma Health & Social Care	This course did not meet criteria 7.	Removed from the course offer – no new enrolments from August 2023.

Working in collaboration with Kirklees College and the Local Authority, the College made the decision to discontinue engagement with T Level planning as of September 2022. This decision was made to ensure that the College retains its focus on the provision of a broadly academic Level 3 curriculum offer and to support the Kirklees Colleges Curriculum Intent.

Events after the reporting period

During September 2023, Governors appointed a new Chair and Vice Chair of the Corporation to serve with immediate effect for a maximum of 3 years, in line with HNC's Standing Orders. There have been no other post balance sheet events.



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Future Prospects and Developments

The Corporation considers that College has adequate resources to continue in operational existence as an independent Sixth Form College for the foreseeable future. The College plans to maintain the 'Outstanding' financial health grading across the current planning period, whilst re-investing in the College to support the goals in the Strategic Plan wherever financially viable. For this reason, the College continues to adopt the going concern basis in preparing financial statements.

The Corporation agreed in September 2016 to remain as an independent Sixth Form College and concluded that the College was viable in this status, based on the quality of provision and financial models prepared. The Corporation decided in 2020-21 to explore the option for conversion to Academy status.

For September 2022, the College completed works to re model and improve offices and meeting spaces but also completed re-flooring and decoration projects as part of the College annual maintenance cycle. Significant investment in ICT facilities and infrastructure also took place to sustain and improve the already excellent College facilities for students and much of the furniture in shared areas used by students was also replaced.

In Autumn 2021, the College was successful in a bid to the Post 16 Capacity Expansion Fund and was awarded DfE grant funding to support the project which involves the creation of a two story modular building designed specifically to house new teaching facilities. The new building is now complete and represents a great addition to College teaching facilities.

The College will continue to invest in buildings & resources throughout 2023-24 whilst maintaining its 'Outstanding' financial health status. The College property strategy will focus on ensuring, wherever possible, that all buildings are maintained in 'Good' or 'Very Good' condition and developments will focus on improving the student and staff environment and experience, environmental efficiency and ensuring that the campus meets future curriculum offer requirements.

Resources

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

Tangible resources include land and buildings with a net book value as at 31st July 2023 of £22.50 million (following a revaluation at 31st July 2013) and equipment with a net book value of £1.32 million.

Financial

The College had £19.947m million of net assets (with a pension liability of NIL, and long-term debt of £0.581 million).

People

The College employed 248 people (208 if expressed as full time equivalents), of whom 121 were teaching staff (113 if expressed as FTE equivalents).

Reputation

The College has an outstanding reputation locally and nationally, as demonstrated by its many national awards and recognition, including being named as TES Sixth Form College of the Year 2019.

Principal Risks and Uncertainties

The College embeds the system of internal control, including financial, operational and risk management. This is designed to protect the College's assets and reputation. Risk Management forms part of the College's internal control and Corporate Governance arrangements.



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Risk can be defined as ‘the threat or possibility that an action or event will adversely or beneficially affect an organisation’s ability to achieve its objectives’. The College adopts best practices in the identification, evaluation and cost effective control of risks to ensure they are eliminated or reduced to an acceptable level. Risk Management is not intended to focus only on financial impact; it should also focus on operational impact as risk is inherent in all College operations.

The Board Assurance Framework (BAF) is integral to the College’s internal control, risk management and corporate governance arrangements. The BAF enables the Corporation and its committees to evaluate the effectiveness of the College’s internal control procedures. The BAF underpins the risk management policy, clarifies the role of the Corporation in the management of risk and ultimately provides assurance in relation to the adequacy and effectiveness of risk management procedures and controls.

The following key principles outline the College’s approach to risk management and internal control.

- The Corporation have responsibility for the overall assurance that risk is being effectively managed by the College and that adequate controls, policies and procedures are in place. The Corporation are also responsible for determining whether the College is ‘risk taking’ or ‘risk averse’ as a whole or on any relevant individual issue
- The Audit Committee assumes lead responsibility for the BAF, including (in conjunction with the College’s Risk Management Group (Senior Leadership Team plus invited attendees)), maintaining and reviewing the structure of the BAF, and ensuring its effective use
- The Risk Management Group has responsibility for risk management within the College as a whole. This responsibility is delegated by the Corporation. An open and receptive approach to risk management is adopted by the Risk Management Group
- All Senior Leaders, Directors, Heads of Faculty and Cross College Managers are responsible for encouraging good risk management practice within their designated area
- All staff have a responsibility to advise their line managers about emerging potential risks

The Senior Leadership Team meet regularly and on an annual basis, review and determine the key risks in the BAF, with related mitigations and assurances to the College, and present the updated BAF to the Audit Committee for approval.

The identification of risks is a dynamic process, with risks added, removed or re-rated during reviews. All staff are able to identify potential risks through their line managers.

These key risks will be monitored closely across each year as appropriate.

Outlined below is a description of the principal risk factors with the highest inherent risks that may affect the College.

1. Sources of income

The College has full reliance on continued government funding through the ESFA. In 2022-23, 95% of the College’s revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or public funding will continue at the same level or on the same terms.

The College is aware of a number of issues in the College’s key risk register, which may directly or indirectly impact on future ESFA funding. The risks in relation to government funding are as follows;

- Poor student recruitment and retention
- Inaccurate student data and funding claims
- Poor quality teaching, learning and assessment leading to poor student progress and poor student outcomes



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- Failure to anticipate and/or respond quickly and appropriately to local, regional or national developments which could impact on the College (e.g. Post 16 funding, curriculum change, development of competitor local 16-19 providers)

Mitigations and assurance are reported, reviewed and monitored within the BAF.

2. Other BAF/ Key Risk Register risks

Other inherent key risks to the College include:

- Failing to effectively lead change
- Ineffectiveness of governance oversight leading to poor decisions and lack of trust amongst stakeholders
- Poor quality TLA framework (over emphasis on certification)
- 5 step model not effectively implemented
- A culture of low expectations due to excessive support and insufficient challenge (staff and students)
- Exacerbating underperformance due to a reluctance to have honest behavioural conversations (staff and students)
- Ineffective development and deployment of the enrich and enlighten aspects of the faculty leadership structure
- Engage more students in valuing all aspects of diversity (harness passion)
- Lack of ownership of responsibility for behaviour and emotions amongst staff and students
- Misinterpretation of support strategies from all stakeholders
- Poor financial management, control and forecasting (including failing to meet ESFA funding requirements)
- Surviving as the squeezed middle within the Kirklees post 16 sector

3. Other Risks: Maintain adequate funding of pension liabilities

The financial statements typically report the share of the WYPF pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102. In 2022-23 however, the actuarial valuation carried out delivered a fund gain that meant that there was no pension liability as at 31st July 2023, the liability for 2021-22 was assessed as £697,000. In the shorter term, the employer's contribution rate to the scheme may be increased in future years as a result of increasing deficits and/or additional 'one-off' payments to the fund may be required. The College will monitor this, build it into financial plans, and assess its impact.

Stakeholders

Huddersfield New College believes that it is essential to know the views and experiences of students, their parents, staff and other stakeholders in order to continue to improve the provision of the College and achieve excellent outcomes. The College therefore recognises the benefits of informing, consulting, collaborating and empowering all stakeholder groups.

The College is committed to engaging with all stakeholders to obtain their views and opinions by means of the following arrangements, which include providing information, obtaining feedback, consulting on issues and direct involvement:

- Identify, and keep under regular review, who they consider their key stakeholders to be and why
- Determine which stakeholders they need to engage with directly, as opposed to relying solely on information from management
- Determine how best to ensure that the strategic decision-making processes give sufficient consideration to key stakeholders
- Ensure that appropriate engagement with key stakeholders is taking place and that this is kept under regular review
- Consider what would be most effective and convenient engagement mechanisms, for the stakeholders, not just the College



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- Provide feedback to those stakeholders with whom it has engaged, which should be tailored to the different stakeholder groups

Benefits of stakeholder engagement

Stakeholder engagement is an essential activity for the College. It is used to inform the decisions that HNC takes enabling better planned and more informed strategies, policies, procedures, programmes and services. Effective engagement also enables stakeholders to be confident that their views have been heard and actively listened to and that there is an opportunity for those views to effect change for the good of the College.

Stakeholder engagement can therefore be mutually beneficial for the College and its stakeholders. For stakeholders, the benefits of engagement include the opportunity to contribute as experts in their field to strategic developments, have their issues or concerns heard and participate as necessary on decision-making process. For the College, the benefits of stakeholder engagement include improved information flows by tapping into local knowledge and having the opportunity to 'road test' strategic and policy initiatives or proposals with stakeholders as and when necessary.

The College recognises that it is part of a web of relationships with a varied range of groups and must have strategies for managing these relationships to enable HNC to understand and weigh up the interests of our key stakeholders when taking operational and strategic decisions.

Equality

The College is committed to ensuring equality of opportunity for all who study and work here. We value and celebrate difference including, but not limited to, those protected characteristics defined in the Equality Act 2010 (sex; race; disability; sexual orientation; religion / belief; age; gender reassignment; marriage (including same sex marriage) and civil partnership, pregnancy and maternity). We strive vigorously to remove barriers and / or obstacles that could place people at a disadvantage, and we will actively seek to address prejudice and discrimination.

The College's Equal Opportunities Policy is published on the College's Virtual Learning Environment (VLE) and external website. The College publishes an Annual Equality and Diversity (E&D) Report. The College undertakes equality impact assessments on policies, procedures practices and plans and publishes the results in the Annual E&D Report. This ensures the College is fully compliant with the Equality Act 2010.

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 applicants with a disability, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for a post. Where an existing employee becomes disabled, every effort is made to ensure employment with the College continues, by making reasonable adjustments as necessary and as far as reasonably practicable. 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 successfully achieved Leaders in Diversity, Organisation of the Year and Further Education Provider of the Year from The National Centre for Diversity and LGBTQ+ Inclusion 'Gold Award' from Stonewall College Champion Programme.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010 and in particular makes the following commitments:

- As part of its property strategy, the College updates its access audit regularly (last formally updated in 2021). Experts in this field conduct a full access audit, resulting in an action plan to further improve access
- There is a range of specialist IT equipment, lighting and audio facilities which the College can make available for use by students with learning difficulties and / or disabilities
- The admissions policy for all students is available on the website. Appeals against a decision not to offer a place are reviewed under this policy



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- The College has made a significant investment in the appointment of specialists to support students with learning difficulties and / or disabilities. Learning Support Assistants provide a range of learning support according to individual need. 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
- The College has an inclusive approach to the curriculum. Students are supported on mainstream programmes, which are described in curriculum area course leaflets. Students with learning difficulties and / or disabilities are supported by specialist staff. Achievements and destinations are recorded and published in the standard College format, but available in other formats, on request
- Counselling and welfare services are described in the College Prospectus, which is available to students on the website
- The College has a comprehensive strategy in place for employee health and wellbeing

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. During the year, 4 members of staff received 1 paid hour per week each (being between 1-50% of each of their time) to act as trade union officials. The total cost of this facility time in 2022-23 was £6,527 or 0.06% of the total salary bill (in 2021-22 the cost was £5,539 or 0.06% of the total salary bill and in 2020-21 the cost was £7,817 or 0.09% of the total salary bill).

Going Concern


There was a significant reduction in student numbers in October 2023 linked to local demographics, local competition and curriculum change. Whilst the reduction in student numbers will affect funding in 2024/25, strategies are in place to manage the change.

In light of financial performance in 2022-23 and after making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

The members who held office at the date of approval of the 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 auditors are aware of that information.

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

DocuSigned by:

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Ms Lindsay Lomas
Chair



Statement of the Responsibilities of the Members of the Corporation

Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2022 to 31st 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 compliance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"), which it formally adopted in 2017

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In the opinion of the Governors, the college has fully complied with all areas of the Code throughout the year ended 31st July 2023. This opinion is based on an internal review of compliance with the Code and other published guidance on best corporate practice. Whilst not having adopted the UK Governance Code 2018, the Corporation has due regard to its principles and guidance.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have due regard for the Charity Commission's guidance on public benefit and the required statements appear elsewhere in these financial statements.

The Corporation

At Huddersfield New College, the main objective for the Corporation is to deliver effective governance by providing strategic direction, creating robust accountability, oversight and assurance for the College's educational and financial performance and being ambitious for all learners to achieve the very best outcomes.

Members of the Corporation

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

	Date of first appointment as Co-opted member or Governor	Term of current office until	Date of resignation / retirement	Status of appointment	Committees served	Corporation and relevant Committee meeting attendance (to July 2023)
Ms M Boryslawskyj (Vice Chair and Chair of S&G to Sept 2023)	December 2014	July 2024	September 2023	External	S&G Q&S (disbanded Nov 2023)	10/12
Ms N Woodhouse	April 2022	April 2023	April 2023	Student		2/3
Mr C Bowman	April 2023	April 2024		Student		2/2
Mr P Cropper	July 2012	July 2024		Co-opted	F&R	4/4
Mr J Dawson (Chair of F&R to Sept 2023)	July 2010	Aug 2024	September 2023	External	F&R R&P	11/12
Ms M Dean	September 2018	August 2022	August 2022	Staff		0/0
Ms H Doyle	September 2022	August 2024		Staff		4/5
Ms R Drury	July 2010	Dec 2024	Resigned from Governor role as of Dec 2022.	Co-Opted	R&P	3/4



Statement of the Responsibilities of the Members of the Corporation

(Chair of R&P to point of resignation as Governor in Dec 22; reinstated immediately as Co-opted member for R&P)						
Ms R Drury (Chair of R&P to point of resignation as Governor in Dec 22; reinstated immediately as Co-opted member for R&P)	July 2010	Dec 2024	Resigned from Governor role as of Dec 2022.	Co-Opted	R&P	3/4
Ms H Haigh (resigned Dec 2022)	July 2013	July 2023	Dec 2022	External	Audit	0/2
Mr T Hosker	Jan 2021	Dec 2024		External	F&R	9/9
Ms S Johnson (Safeguarding/Prevent Governor and SEND link governor from Feb 2022 to Nov 2022)	Jan 2021	Dec 2024		External		4/5
Ms P Cooke (EDI Link Governor)	May 2022	July 2026		External	Audit	6/9
Ms L Summers (Chair of Corporation to point of resignation in Sept 2023)	Sept 2012	August 2024	Sept 2023	External	S&G R&P Q&S (disbanded Nov 2023)	14/15
Mr N Uppal (Chair of Audit)	Dec 2014	July 2024		Co-opted	Audit	4/4
Mr D Watson (resigned June 2023)	April 2020	July 2024	Nov 2022	Co-opted	F&R	1/3
Mr K Webb (CEIAG Link Governor)	May 2015	Jan 2024		External	Audit R&P	12/12
Ms L Lomas (SEND Link Governor from Nov 22; Chair of Corporation as of September 2023)	August 2022	Prent governor term of office July 2024 ;reset to August 2027 given external appointment		External	Q&S (disbanded Nov 2023). S&G (as of Nov 2023)	7/9
Mr M Smith-Connor	April 2022			Principal	F&R S&G Q&S (disbanded Nov 2023)	16/16
Mr S Williams	Nov 2022	Dec 2026		External	Audit	7/8
Ms C Watterston (R&P Chair as of Nov 2023)	Feb 2023	March 2027		External	R&P	3/3

Mrs C Coupland acted as clerk during the whole period.

Marcus Smith-Connor assumed the role of Principal and Accounting Officer role and that of Governor (Ex-Officio) during the whole period.

Details of remuneration for the Accounting Officer who served during the year ended 31 July 2023 are set out in note 6 of the financial statements.



Statement of the Responsibilities of the Members of the Corporation

The Governance Framework

It's the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets at least on a termly basis.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, underpinned by a Scheme of Delegation and Financial Regulations, which have been approved by the Corporation. These committees are Finance and Resources, Audit, Search & Governance, Quality & Standards and Remuneration & Personnel. Full minutes of all meetings, except those deemed confidential by the Corporation, are available on the College's website at www.huddnewcoll.ac.uk, or from the Clerk to the Corporation at: Huddersfield New College, New Hey Road, Huddersfield, HD3 4GL

The Clerk to the Corporation maintains a register of financial and personal interests of the members of the Corporation and key staff with significant financial and decision-making responsibility. The register is available for inspection at the above address.

All members of the Corporation are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to members of the Corporation in a timely manner, prior to meetings of the Corporation. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility, as determined by the Corporation's Scheme of Delegation, in that the roles of the Chair and Accounting Officer of the College are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search & Governance Committee, which at 31st July 2023, comprised of the Chair of the Corporation, the Accounting Officer, one external Governor (committee chair) and one co-opted member. The Committee is responsible for the selection and nomination of any new member for the Corporation's consideration and on the re-appointment of existing members upon completion of their current term of office. The Committee will review on a regular basis those terms of office that are due to expire and will seek to ensure periods of time when the board is below full membership are minimised.

The Committee is responsible for ensuring the Board comprises of individuals with the most appropriate balance of experience, skills and knowledge to help develop and support College strategy. In order to achieve this, the Committee requires procedures to be in place that enable the nomination selection and succession of the most capable governors. The Committee is also responsible for undertaking an annual governance self-assessment and skills audit. The Corporation recognises the need for a detailed and effective self-assessment process that can then inform plans, actions and improvement in College Governance and core business performance.



Statement of the Responsibilities of the Members of the Corporation

The skills audit continues to be a useful way of assessing the skills, knowledge and experience of the Corporation and in particular helps identify any skills gaps needed to deliver effective governance when planning to fill vacancies due to any upcoming end of term of office of governors. The Corporation is responsible for ensuring appropriate training is provided as required. The Corporation is committed to ensuring:

- Members of the Corporation are appointed on merit, after an open and transparent selection process which complies with the requirements as set out in the Instrument and Articles of Government for the appointment of members
- Members are appointed with the necessary skills to ensure the Corporation carries out its functions and responsibilities under the Articles of Government
- The Corporation membership is working towards reflecting the Community served by the College.
- Membership of the Corporation is drawn from the Community served by the College including representation from key partners

Corporation performance

The attendance of the governors is shown in the table above. Each year the Governing Body contributes to the overall self-assessment process and the grade for leadership and management includes a consideration of governor performance.

The Board is committed to providing confident, strategic leadership and to the creation of strong accountability for the oversight and assurance of the College's educational character and mission to ensure continuous and sustainable improvement.

The Corporation undertakes an annual self-assessment of its current processes, procedures, policies and practices against the English Foundations Code of Governance. All Committees are asked to also undertake an annual self-assessment checklists on its operation, duties and compliance with its terms of reference to feed into the Self-Assessment Review process and Members are asked to consider how the Committee's work has impacted/ contributed to the overall work of Governing Body during this academic year. All governors also meet individually with the Chair of the Corporation to reflect upon their own role and contribution.

This self-critical approach enables the Corporation to provide a strong level of assurance to all stakeholders of the corporations' high standards and continued commitment to conduct its business openly and transparently and in the best interest of the students.

Areas for development and continuous professional development, identified through the self-assessment framework inform the governance quality improvement plan and training schedule which is monitored by the Search and Governance Committee throughout the year. The Corporation self-assessed its own performance for 2022-23 as Good.

Remuneration & Personnel Committee

During 2022-23, the Remuneration & Personnel Committee met 3 times. At 31st July 2023, the College's Remuneration & Personnel Committee comprised of the Chair of the Corporation, the Chair of Finance & Resources and one external Governor and one co-opted member. The Committee was responsible, for this reporting period, for making recommendations to the Board on the policy, framework and criteria for determining the remuneration of senior post holders as well as considering the public interest and the safeguarding of public funds, alongside the interests of the College when considering all forms of payment, reward and severance to all staff.

The Corporation adopted the Association of Colleges (AoC's) Senior Staff Remuneration Code as of 1st September 2019; for the Corporation was satisfied with the supporting principles of the code namely - A fair, appropriate and justifiable level of remuneration, procedural fairness; and transparency and accountability. In accordance with the AoC's Remuneration Code, the Remuneration and Personnel Committee has produced an annual remuneration report to the Corporation (for period 1st August 2022 – 31st July 2023) which was presented on 5th October 2023. This provided additional assurance to all Governors that the Remuneration & Personnel Committee continues to effectively discharge its responsibilities.



Statement of the Responsibilities of the Members of the Corporation

Details of remuneration for the year ended 31st July 2023 are set out in notes 5 and 6 to the financial statements.

Finance Committee

The Finance and Resources committee, at 31st July 2023 comprised of 3 members of the Corporation and one co-opted member. The Committee operates in accordance with written terms of reference approved by the Corporation.

The remit of the Finance & Resources Committee is to monitor the College's financial position in accordance with the budget and financial assumptions set by the Corporation. The Committee also determines the arrangements, policies and procedures for maintaining solvency, safeguarding assets and for the effective and efficient use of resources and makes recommendations and advises the Corporation accordingly.

The Committee also tracks the College's compliance with health and safety requirements, makes recommendations to the Corporation and advises the Corporation on any health and safety policies and procedures.

The Committee also oversees, on behalf of the Corporation, the appropriate governance and management of estates including asset management, capital projects, maintenance and repair and facilities management.

In June 2023 the committee terms of reference were also extended to include identifying and overseeing the college's response to environment, social metrics as well as to review and scrutinise the Sustainability Strategy.

Audit Committee

At 31st July 2023, the Audit Committee comprised of 3 members of the Corporation (excluding the Accounting Officer and 'Chair') and 1 co-opted member. It is a condition of funding through the Financial Memorandum that college corporations must establish an Audit Committee. The committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee met 4 times during 2022-23 and provided a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main Further Education funding bodies as they affect the College's business.

The College's internal auditors monitor 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 audit recommendations, which are monitored at each Audit Committee meeting. Internal audit undertakes 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 statements auditors and their remuneration for both audit and non-audit work, as well as annually to the Corporation. A tender exercise to appoint internal and external auditors was undertaken by the committee during 2021/22, which resulted in the reappointment of TIAA and Wylie & Bisset by the Corporation. The tender process satisfied the Post 16 Audit Code of Practice requirements (JACOP).

In June 2023, the Committee determined that the existing Whistleblowing Policy and Procedures continue to reflect good practice and remain procedurally compliant with relevant legislation for how the College is to manage and respond to any raised concerns. The policy is available to all stakeholders via the College website and VLE. The Audit Committee confirmed to the Corporation that there has been no cases of whistleblowing or fraud and irregularities reported during the year 2022/23.



Statement of the Responsibilities of the Members of the Corporation

The Audit Committee advises the Corporation on the adequacy and effectiveness of the College's assurance framework via its annual report in which it also accounts the measures it has taken to ensure it has fulfilled its statutory and regulatory responsibilities. The Committee also approved the regularity self-assessment questionnaires and ESFAs Anti-fraud checklist for post 16 providers, as required by the JACOP, to provide clarity and evidence of the college's accountability framework to further support the Corporation in drafting their statement of regularity, propriety and compliance. A copy of the completed RSAQs, signed by the Accounting Officer and Chair of Governors, was provided to the college's reporting accountants.

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 of 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 Marcus Smith-Connor, the Accounting Officer, for maintaining a sound system of financial 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 Huddersfield New College and the Funding Body. He 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 designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Huddersfield New College for the year ended 31st 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 31st July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation
- Regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts
- Setting targets to measure financial and other performance
- Clearly defined capital investment control guidelines
- The adoption of formal project management disciplines, where appropriate

Huddersfield New College has an internal audit service, which operates in accordance with the requirements of the ESFA's 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 risk and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. As a minimum annually, Internal Audit provides the Corporation with a report on internal audit activity in the College.



Statement of the Responsibilities of the Members of the Corporation

The Audit Committee's annual report to the Corporation (for period 1st August 2022 – 31st July 2023) was presented on 14th December 2023. This provided additional assurance to all Governors that the Audit Committee continues to effectively discharge its delegated responsibilities and concludes that based on the work of the Committee and the audit reviews undertaken during the year, the College continues to have an adequate and effective framework for governance, risk management and control, and that the Corporation 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".

The risk management, controls and governance processes are underpinned by the Board Assurance Framework. The Board Assurance Framework comprises of:

- Governance processes
- A defined Risk Policy and Appetite statement
- Identification, evaluation and management of significant risks
- Assurance and audit processes
- The underlying policy and control environment

The Internal Auditor's unqualified opinion for the year 2022-23 also confirms that the Corporation can take substantial assurance that the controls upon which the organisation relies to manage areas of risk are suitably designed, consistently applied and effective.

Review of effectiveness

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

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors and the regularity auditors in their management letters and other reports

The Accounting Officer has been advised on the implications of the outcome of his 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 including the risk committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Principal and SLT receive reports which set out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms. These are embedded within the departments and reinforced by risk awareness training. The Principal, Senior Leadership Team and the Audit Committee also receive regular reports from internal audit, 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 the Corporation receives reports thereon from the Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At the December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31st July 2023 by considering documentation from the Audit Committee and internal audit, and by taking account of events since 31st 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".



Statement of the Responsibilities of the Members of the Corporation

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

DocuSigned by:

Lindsay Lomas

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Ms Lindsay Lomas

Chair

DocuSigned by:

Marcus Smith Connor

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Mr Marcus Smith-Connor

Accounting Officer




Statement of the Responsibilities of the Members of the Corporation

Statement of Regularity, Propriety and Compliance

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

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

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

DocuSigned by:

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Mr Marcus Smith-Connor
 Accounting officer

Date: 14th December 2023

Statement of the chair of governors

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

DocuSigned by:

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Ms Lindsay Lomas
 Chair of governors

Date: 14th December 2023



Statement of the 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 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. 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 14th December 2023 and signed on its behalf by:

DocuSigned by:

 917A0B258FCB44F...
Ms Lindsay Lomas
 Chair of governors

Independent Auditor's Report to the Corporation of Huddersfield New College for the year ended 31 July 2023



Opinion

We have audited the financial statements of Huddersfield New College (the 'College') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the College's affairs as at 31 July 2023, and of its 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 Statement of Recommended Practice - Accounting for Further and Higher Education.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast 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 Corporation with respect to going concern are described in the relevant sections of this report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Corporation of Huddersfield New College for the year ended 31 July 2023



Responsibilities of the Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation, 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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and with ISAs (UK). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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

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

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, responding appropriately to fraud or suspected fraud identified during the audit process. This includes obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- The nature of the College, the environment in which it operates and the control procedures implemented by management and the Corporation; and
- Our enquiries of management and the Corporation about their identification and assessment of the risks of irregularities.

Based on our understanding of the College and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to:

- Regulations and legislation pertinent to the College's operations;
- Compliance with the Post-16 Audit Code of Practice 2022 to 2023;
- Compliance with the requirements of the Department for Education, Education & Skills Funding Agency;
- Compliance with the requirements of the Office for Standards in Education.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Statement of Recommended Practice - Accounting for Further and Higher Education 2019 and the Post-16 Audit Code of Practice 2022-23.

Independent Auditor's Report to the Corporation of Huddersfield New College for the year ended 31 July 2023



We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the College and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit committee, the internal auditors and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Department for Education, Education & Skills Funding Agency, and the Office for Standards in Education;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

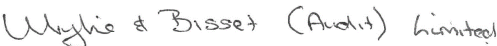
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

Use of our report

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

DocuSigned by:

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Wylie & Bisset (Audit) Limited
 Statutory Auditor
 168 Bath Street
 Glasgow
 G2 4TP

Date: 18th December 2023



Reporting Accountant's Assurance Report on Regularity

In accordance with the terms of our engagement letter dated 7th November 2023 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Huddersfield New College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the corporation of Huddersfield New College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Huddersfield New College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the corporation of Huddersfield New College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Huddersfield New College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Testing transactions with related parties;



Reporting Accountant's Assurance Report on Regularity

- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

Conclusion

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

DocuSigned by:

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Wylie & Bisset (Audit) Limited

Statutory Auditors
168 Bath Street
Glasgow
G2 4TP

Date: 18th December 2023

Statement of Comprehensive Income

For the year ended 31st July 2023

		2023	2022
	Note	£000	£000
Income			
Funding body grants	2	14,286	13,656
Other income and grants	3	823	454
Tuition fees and Education contracts	4	60	122
Investment income – Other interest receivable		148	21
		<hr/>	<hr/>
Total income		15,317	14,253
Expenditure			
Staff costs	5	10,278	10,495
Restructuring costs	5	129	24
Other operating expenses	7	3,003	2,770
Depreciation	10	1,048	945
Interest and other finance costs	8	67	170
		<hr/>	<hr/>
Total expenditure		14,525	14,404
		<hr/>	<hr/>
Surplus/(deficit) before other gains and losses		792	(151)
Surplus/(loss) on disposal of fixed assets		-	-
		<hr/>	<hr/>
Surplus/(deficit) before tax		792	(151)
Taxation	9	-	-
		<hr/>	<hr/>
Surplus/(deficit) for the year		792	(151)
Actuarial Gain/(Loss) in respect of pension schemes	21	966	6,674
		<hr/>	<hr/>
Total Comprehensive Income/(Expenditure) for the year		1,758	6,523
		<hr/>	<hr/>
Represented by:			
Restricted Comprehensive Income		-	-
Unrestricted Comprehensive Income		1,758	6,523
		<hr/>	<hr/>
		1,758	6,523
		<hr/>	<hr/>



College Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 31st July 2021	5,289	6,377	11,666
Deficit from the income and expenditure account	(151)	-	(151)
Other Comprehensive Income	6,674	-	6,674
Transfers between revaluation and income and expenditure reserves	152	(152)	-
Total comprehensive income/(deficit) for the year	6,675	(152)	6,523
Balance at 31st July 2022	11,964	6,225	18,189
Surplus from the income and expenditure account	792	-	792
Other Comprehensive Income	966	-	966
Transfers between revaluation and income and expenditure reserves	152	(152)	-
Total comprehensive income/(deficit) for the year	1,910	(152)	1,758
Balance at 31st July 2023	13,874	6,073	19,947

Balance Sheet

As at 31st July 2023

	Note	2023 £000	2022 £000
Non-Current assets			
Tangible Fixed assets	10	23,823	22,101
Current assets			
Trade and other receivables	11	316	260
Investments	12	315	306
Cash and cash equivalents	17	4,162	3,947
		4,793	4,513
Creditors: Amounts due within one year	13	(2,179)	(2,069)
Net current assets		2,614	2,444
Total assets less current liabilities		26,437	24,545
Creditors: Amounts due after more than one Year	14	(6,326)	(5,471)
Provisions			
Defined Benefit obligations	21	-	(697)
Other provisions	16	(164)	(188)
Net assets		19,947	18,189
Unrestricted Reserves			
Income and expenditure account (including pension reserve)	1	13,874	11,964
Revaluation reserve		6,073	6,225
Total unrestricted reserves		19,947	18,189

The financial statements on pages 27 to 48 were approved and authorised for issue by the Corporation on 14th December 2023 and were signed on its behalf by:

DocuSigned by:

917A0B258FCB44F...
Ms Lindsay Lomas
Chair

DocuSigned by:

660CF4AFF8D04FB...
Mr Marcus Smith-Connor
Accounting Officer



Statement of Cash Flows

	<i>Note</i>	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus/(Deficit) for the year		792	(151)
Adjustment for non-cash items			
Depreciation		1,048	945
Deferred grants released to income		(151)	(148)
Decrease/(increase) in debtors		(56)	11
(Decrease)/increase in creditors due within one year		110	237
Increase/(Decrease) in provisions		(24)	(46)
Pensions costs less contributions payable		431	849
Adjustment for investing or financing activities			
Investment income		(148)	(21)
Interest payable		50	62
Gain/(loss) on the disposal of fixed assets		0	0
Net cash flow from operating activities		2,052	1,738
Cash flows from investing activities			
Deferred grants received to acquire fixed assets		950	-
Investment income		148	21
Payments made to acquire fixed assets		(2,770)	(1,555)
		(1,672)	(1,534)
Cash flows from financing activities			
Interest paid		(50)	(62)
Repayments of amounts borrowed		(115)	(136)
		(165)	(198)
(Decrease)/ increase in cash and cash equivalents in the year		215	6
Cash and cash equivalents at beginning of the year	17	3,947	3,940
Cash and cash equivalents at end of the year	17	4,162	3,946

Notes



1. Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2022 to 2023* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

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

Going concern

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

The College currently has £0.696 million of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing arrangement are for the remaining 4 years of the loan. The College's forecasts and financial projections indicate that it will be able to service the existing loans and covenants for the foreseeable future.

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

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. 16-18 Learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

Capital Grant Funding

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

Investment Income

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

Notes



Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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.

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Tangible fixed assets

Land and buildings

Land and buildings inherited from the Local Education Authority (and freehold buildings constructed since incorporation) are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years, or 10 years in the case of the one modular building. The College has a policy of depreciating major capital adaptations to buildings over the period of their useful life of 50 years.

Notes



Tangible fixed assets (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.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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 assets may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were last revalued in 2013 as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets, it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Assets capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs;
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

Equipment

Equipment costing less than £500 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the Local Education Authority is included in the balance sheet at depreciated replacement cost as estimated by Senior Leadership at the College.

All equipment is depreciated on a straight-line basis over its remaining useful economic life to the College as follows:

- General equipment - 15% or 20% per year
- Computer equipment - 20% or 25% per year

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

In relation to equipment disposals, each year the College updates the fixed asset register for items that have been disposed of, and adjusts the equipment cost, accumulated depreciation and net book value, with any surplus/loss on disposal being recognised in the Statement of Comprehensive Income and Expenditure.

Borrowing costs

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

Notes



Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading the lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014.

Investments

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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, so that it is only exempt on certain inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Liquid resources

Liquid resources represent sums on short-term deposits with the College bankers and other recognised banks and building societies.

Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

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

Notes



Provisions and contingent liabilities

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

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds under the 'College Bursary Scheme'. Related payments received from the main funding body and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in note 23, except for the 5% of the College Bursary Scheme grant, which is available to the College to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of the Bursary Scheme and other discretionary support fund applications and payments.

During the year to 31st July 2023, the College received a payment of Household Support Fund (HSF) income from Kirklees Metropolitan Council (The Council). During the year, the HSF income received was distributed in full to College Students based on an assessment of need and in line with terms agreed with the Council. Receipts from the Council and disbursements to students are excluded from the Income and Expenditure account and are shown separately in note 23.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 31st March 2019 has been used by the actuary in valuing the pensions liability at 31st July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes**2. Funding body grants**

	2023	2022
	£000	£000
Education & Skills Funding Agency recurrent grant	13,533	12,788
Education & Skills Funding Agency non recurrent grants	602	720
Releases of government capital grants	151	148
	14,286	13,656

3. Other income and grants

	2023	2022
	£000	£000
Catering and residences	102	87
Turing (formerly Erasmus)	107	-
Miscellaneous income (including proceeds from the sale of fixed assets)	614	367
	823	454

4. Tuition fees and Education Contracts

	2023	2022
	£000	£000
Fees for HE loan supported courses	60	122
	60	122

5. Staff numbers and costs

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

	2023	2022
	Number	Number
Teaching staff	113	113
Non - Teaching staff	95	92
	208	205

The numbers above do not include estimates of the staff numbers employed through contracting out arrangements.

Notes



Staff costs for the above persons were as follows:	2023	2022
	£000	£000
Wages and salaries	7,677	7,491
Social security costs	770	737
Other pension costs (note 21)	1,765	2,165
(including FRS 102 adjustments of £252,000 (2021-22: £751,000))		
	<hr/>	<hr/>
Payroll sub-total	10,212	10,393
Contracted out staffing costs	66	102
	<hr/>	<hr/>
Re-structuring costs		
- Contractual	89	24
- Non-Contractual	40	-
	<hr/>	<hr/>
Total staff costs	10,407	10,519
	<hr/>	<hr/>

6. Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Senior Leadership Team

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

	2023	2022
	No.	No.
The number of key management personnel including the Accounting Officer was:	9	8
	<hr/>	<hr/>

The number of key management personnel and other staff who received annual emoluments, excluding employers' pension and social security costs, but including benefits in kind, in the following ranges was:

	2023 Key management personnel	2022 Key management personnel
£10,000 to £15,000	1	-
£30,001 to £35,000	1	-
£35,001 to £40,000	1	-
£55,001 to £60,000	-	1
£60,001 to £65,000	-	3
£65,001 to £70,000	4	1
£70,001 to £75,000	1	1
£95,001 to £100,000	-	1
£100,001 to £105,000	1	-
£120,001 to £125,000	-	1
	<hr/>	<hr/>
	9	8
	<hr/>	<hr/>

Notes



No other staff received annual emoluments, excluding employers' pension and social security costs, in excess of £60,000.

The key management personnel emoluments, as above, are made up as follows:

	2023	2022
	£000	£000
Salaries	526	600
Pension contributions	110	120
	<hr/>	<hr/>
Total emoluments	636	720
	<hr/>	<hr/>

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

The above emoluments include amounts payable to the employee who served as Accounting Officer during the year. The Accounting Officer is the highest paid officer in the College, payments in the year were made as follows:

	2023	2022
	£000	£000
M Smith-Connor: Accounting Officer Salary	105	26
Pension contributions	25	6
	<hr/>	<hr/>
	130	32
	<hr/>	<hr/>

Accounting Officer's Pay as a multiple of the median pay is as follows:

	2023	2022
	£000	£000
Accounting Officer Salaries (combined in 2022)	105	118
Median Salary	28	27
	<hr/>	<hr/>
Multiple	3.75	4.37
	<hr/>	<hr/>

	2023	2022
	£000	£000
Accounting Officer Total Emoluments	130	146
Median Total Emoluments	35	32
	<hr/>	<hr/>
Multiple	3.71	4.56
	<hr/>	<hr/>

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

Notes



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

7. Other operating expenses

	2023 £000	2022 £000
Teaching costs	831	657
Non - teaching costs	1,343	1,568
Premises costs	829	545
	<u>3,003</u>	<u>2,770</u>

Other operating expenses include:

	2023 £000	2022 £000
Auditors remuneration:		
Financial statements audit	18	15
Internal audit	9	8
Hire of assets under operating leases	76	40
	<u> </u>	<u> </u>

8. Interest payable

	2023 £000	2022 £000
On bank loans, overdrafts and other loans:		
Repayable within five years, by instalments	7	11
Repayable in more than five years, by instalments	43	51
FRS102 Pension finance cost (note 21)	17	108
	<u>67</u>	<u>170</u>

9. Taxation

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

Notes



10. Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	Total £000
Cost or valuation			
At 1 August 2022	25,135	5,828	30,963
Additions	2,046	724	2,770
Disposals	-	(148)	(148)
	<hr/>	<hr/>	<hr/>
At 31 July 2023	27,181	6,404	33,585
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 August 2022	4,153	4,709	8,862
Charge for year	526	522	1,048
Elimination in respect of disposals	-	(148)	(148)
	<hr/>	<hr/>	<hr/>
At 31 July 2023	4,679	5,083	9,762
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 2023	22,502	1,321	23,823
	<hr/>	<hr/>	<hr/>
At 31 July 2022	20,982	1,119	22,101
	<hr/>	<hr/>	<hr/>

If inherited fixed assets had not been re-valued, they would have been included at the following historical cost amounts:

	£000
Cost	-
Aggregate depreciation based on cost	-
	<hr/>
Net book value based on cost	-
	<hr/>

Existing freehold land and buildings were re-valued on 31 July 2013 at a depreciated replacement cost of £20,090,000 by Eddisons Commercial, a firm of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes. The value of other tangible fixed assets inherited from the Local Education Authority at incorporation in 1993 was estimated to be valued at £177,000 by the senior leadership of the College at the time on a depreciated replacement cost basis. The College had re-valued the freehold land and buildings every 5 years since incorporation up to July 2013, with interim valuations by the Senior Leadership Team of the College.

Freehold land and buildings includes land valued at £690,000 (2022: £690,000) which is not depreciated.

11. Trade and other receivables

Notes

	2023	2022
	£000	£000
Amounts falling due within one year:		
Trade debtors	1	1
Prepayments and accrued income	315	259
	<hr/>	<hr/>
	316	260
	<hr/>	<hr/>

12. Current Investments

	2023	2022
	£000	£000
Amounts falling due within one year:		
Short Term Deposits	315	306
	<hr/>	<hr/>
	315	306
	<hr/>	<hr/>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months, but less than 12 months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

13. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Bank loans	115	144
Payments received in advance	518	202
Trade creditors	260	322
Other taxation and social security	361	352
Holiday pay accrual	459	529
Other accruals	315	349
Deferred income – government capital grants	151	171
	<hr/>	<hr/>
	2,179	2,069
	<hr/>	<hr/>

14. Creditors: Amounts falling due after more than one year

	2023	2022
	£000	£000
Bank loans	581	696
Deferred income – government capital grants	5,745	4,775
	<hr/>	<hr/>
	6,326	5,471
	<hr/>	<hr/>

15. Maturity of debt

Notes



Bank loans

	2023 £000	2022 £000
Bank loans are repayable:		
Within one year	115	144
Between one and two years	161	153
Between two and five years	420	512
In more than 5 years	-	31
	<hr/>	<hr/>
	696	840
	<hr/>	<hr/>

The bank loan at 5.6%, repayable by instalments falling due between 1st August 2023 and 31st August 2027 totalling £0.696m is unsecured.

16. Provisions for liabilities and charges

	Enhanced Pension £000
At 1st August 2022	188
Expenditure in the period	(16)
Transferred to Income and Expenditure Account	(8)
	<hr/>
At 31st July 2023	164
	<hr/>

This provision relates to five former members of staff at the College, who were awarded enhanced pensions on early retirement in 1995, 2000 and 2007. The provision represents the present estimated value of likely future payments to these former employees over their remaining lives and continuing reduced payments to surviving spouses where applicable. These estimated values follow guidance and depend on current age, gender and marital status, and are calculated using principal assumptions for price inflation of 2.8% (2022: 2.9%) and a discount rate of 5.0% (2022: 3.3%)

17. Cash and cash equivalents

	At 1st August 2022 £000	Cash flow £000	At 31st July 2023 £000
Cash at bank and in hand	3,947	215	4,162
	<hr/>	<hr/>	<hr/>
Total	3,947	215	4,162
	<hr/>	<hr/>	<hr/>

18. Capital commitments

Notes



	2023 £000	2022 £000
Commitments contracted for at 31st July	97	973

19. Lease Obligations

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

	<i>Other Equipment</i>	2023	2022
Not later than one year		59	54
Later than one year and not later than five years		97	72
Later than five years		-	-
		<u>156</u>	<u>126</u>

20. Contingent liabilities

There were no contingent liabilities at 31st July 2023 (31st July 2022 - no contingent liabilities).

Harpur Trust vs Brazel

In the case of Harpur Trust v Brazel 2022, the Supreme Court judged in favour of the appellant which means that calculating holiday pay at a rate of 12.07% is no longer sufficient. However, given the significant implications the Government launched further consultation, which ended on 9th March 2023. The Government is now analysing feedback and we will be informed in due course whether the ruling is overturned or not. As there is still uncertainty as to the value of any liability, it has not been practical to estimate the potential liability at this stage (2021-22: £nil).

21. Defined benefit obligations

The College's employees belong to two principal pension schemes, the Teachers' Pension 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 defined benefit schemes.

Total pension cost for the year (note 5)	2023 £'000	2022 £'000
Teachers' Pension Scheme: contributions paid	1,133	1,115
Local Government Pension Scheme:		
Contributions paid	404	335
FRS102 Charge	252	751
	<u>656</u>	<u>1,086</u>
Enhanced pension (release)/charge to Comprehensive Income Statement (staff costs)	(24)	(36)
At 31st July 2023	<u>1,765</u>	<u>2,165</u>

In the June 2010 budget, the government announced that it intended for future increases in public sector pension schemes to be linked to changes in the Consumer Prices Index (CPI) rather than, as previously, the Retail Price Index (RPI). In the year ended 31st July 2010, the College considered the West Yorkshire Pension Fund scheme rules and

Notes



associated members' literature and concluded that as a result, a revised actuarial assumption about the level of inflation indexation should be made.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31st March 2020 and the LGPS 31st March 2022. Contributions amounting to £174,989 (2022: £161,680) were payable to the schemes as at 31st July 2023 and are included in creditors.

Teachers' Pension Scheme

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

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

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31st March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion.

As a result of the new valuation, new employer contribution rates are expected to be set at 28.6% of pensionable pay from April 2024 onwards (compared to 23.68% during for 2022-23). The Department for Education paid a teacher pension employer contribution grant to cover the additional costs during the 2019-20, 2020-21, 2021-22 and 2022-23 academic years and a similar grant mechanism is expected to operate from April 24.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. The pension costs paid to TPS in the year amounted to £1,133,000 (2022: £1,115,000).

FRS 102

Under the definitions set out in Financial Reporting Standard 102 (Retirement Benefits), the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the deficit in the scheme and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31st July 2023 were £544,000 (2022: £504,000), of which employers' contributions totalled £404,000 and employees' contributions totalled £140,000. The current contribution rate for employers increased to 17.9% from 1st April 2023 to 31st March 2024. Employer contribution rates will then rise to 18.1% from 1st April 2024 and to 18.2% from 1st April 2025. Contribution rates for employees are between 5.5% and 8.5% dependent on salary.

Notes



Principal Actuarial Assumptions

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

	31st July 2023	31st July 2022
Inflation assumption (CPI)	2.60%	2.60%
Expected rate of salary increase	3.85%	3.85%
Future pensions increases	2.60%	2.60%
Discount rate	5.00%	3.40%
Pension accounts revaluation rate	2.60%	2.60%

The expected return on scheme assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yield on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets. On advice from our actuaries, we have assumed that 50% of employees retiring will take advantage of the option to commute part of their future annual pension to a lump sum payment on retirement.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 and at age 45 are:

	At 31st July 2023	At 31st 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

The College's share of the assets in the scheme, and the expected rates of return were:

	Value at 31st July 2023 £000	Value at 31st July 2022 £000
Equities	9,149	8,635
Government Bonds	845	751
Other Bonds	514	468
Property	377	436
Cash/ Liquidity	445	436
Other	91	163
Asset Ceiling curtailment*	(1,005)	-
Total market value of assets	(10,416)	10,889
Present value of scheme liabilities	(10,416)	(11,586)
Liability recognised on the Balance Sheet	-	(697)
	=====	=====

Notes**Analysis of the amount recognised in the Comprehensive Income Statement**

	2023	2022
	£000	£000
Current service cost (net of employee contributions)	(658)	(751)
Past service cost	-	-
	<hr/>	<hr/>
Total operating charge	(658)	(751)
	<hr/>	<hr/>

Analysis of pension finance (cost)/income

	2023	2022
	£000	£000
Expected return on pension scheme assets	374	171
Interest on pension scheme liabilities	(391)	(279)
	<hr/>	<hr/>
Pension finance (cost)	(17)	(108)
	<hr/>	<hr/>

Other Amounts recognised in the Statement of Comprehensive Income

	2023	2022
	£000	£000
Actual return less expected return on pension scheme assets	(65)	626
Change in financial, demographic and liability assumptions underlying scheme liabilities	2,036	6,048
Past Service Gains	-	-
Asset Ceiling curtailment*	(1,005)	-
	<hr/>	<hr/>
Total amount recognised in Other Comprehensive Income	966	6,674
	<hr/>	<hr/>

Movement in deficit during year

	2023	2022
	£000	£000
(Deficit) in scheme at beginning of year	(697)	(6,512)
Movement in year:		
Employer service charge (net of employee contributions)	(658)	(1,091)
Employer Contributions	406	340
Net interest	(17)	(108)
Actuarial gain	2,036	6,674
Past service cost	-	-
	<hr/>	<hr/>
Surplus/(Deficit) in scheme at end of year	1,070	(697)
	<hr/>	<hr/>

Notes



	2023 £000	2022 £000
Liabilities at start of period	(11,586)	(16,508)
Service cost	(658)	(1,091)
Interest cost	(391)	(279)
Employee contributions	(140)	(121)
Actuarial (loss)/gain	2,036	6,048
Benefits paid	323	365
Past service cost	-	-
Liabilities at end of period	(10,416)	(11,586)
Asset and Liability Reconciliation		
	2023 £000	2022 £000
Assets at start of period	10,889	9,996
Expected return on assets	374	171
Actuarial gain	(65)	626
Employer contributions	406	340
Employee contributions	140	121
Benefits paid	(323)	(365)
Asset Ceiling curtailment*	(1,005)	-
Assets at end of period	10,416	10,889

*Asset Ceiling Curtailment

The estimated value of the Local Government Pension Scheme provided by the schemes actuary resulted in a surplus of £1.005m at the year end. As there is no indication as to whether or not the College would be able to recover this surplus under the scheme rules, the gain on the overall liability has been capped by means of an asset ceiling adjustment to show neither an asset or liability on the balance sheet which is in line with accounting standards.

22. Related Party Transactions

Due to the nature of the College's operations and the composition of the Corporation (being drawn from local, public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Corporation may have an interest. All transactions involving organisations in which a member of the Corporation may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the governors during the year was £Nil; (2022 £Nil). Governors do not claim travel and subsistence expenses or other out of pocket expenses incurred in attending governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College during the year (2022: None). No transactions were identified which should be disclosed under Financial Reporting Standard 8 'Related Party Disclosures'.

Transactions with the Education and Skills Funding Agency (ESFA) organisations are detailed in notes 2 and 23.

Notes**23. Amounts Disbursed as Agent**

	2023	2022
	£000	£000
Discretionary support funds		
Funding body grants - discretionary bursaries	368	386
Disbursed to students - discretionary bursaries	(257)	(237)
Administration costs	(14)	(17)
	<hr/>	<hr/>
Balance unspent at 31st July	97	132
	<hr/>	<hr/>

Funding body grants are available solely for students. In the majority of cases, the College acts as paying agent. The grants and disbursements have been excluded from the Statement of Comprehensive Income.

During the year to 31st July 2023, the College received Household Support Fund (HSF) income from Kirklees Metropolitan Council (The Council). During the year, the HSF income received was distributed in full to College Students based on an assessment of need and in line with terms agreed with the Council. Receipts from the Council and disbursements to students are excluded from the Income and Expenditure account and are shown below:

	2023	2022
	£000	£000
Household Support Fund (HSF)		
Local Authority grants – Household Support Fund	33	182
Disbursed to students – Household Support Fund	(33)	(182)
	<hr/>	<hr/>
Balance unspent at 31st July	-	-
	<hr/>	<hr/>