

TAMESIDE COLLEGE

# MEMBERS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2022

0161 908 6800



**Tameside  
College**



[www.tameside.ac.uk](http://www.tameside.ac.uk)  
0161 908 6789



[www.clarendonsixth.com](http://www.clarendonsixth.com)  
0161 908 6800



## **Reference and Administrative Details**

### **Senior Executive Team**

|               |   |
|---------------|---|
| Mrs J Moores  | Principal and CEO; Accounting Officer   |
| Mrs N Welland | Deputy Principal  |
| Mr L Dowd     | Vice Principal Quality and People   |
| Mrs V Hayhoe  | Executive Director Finance and Estates (left 31 October 2021)                       |
| Ms W Stott    | Executive Director Finance and Estates Interim (18 October 2021 – 31 December 2021) |
| Mr D Dobson   | Executive Director Finance and Estates (from 1 <sup>st</sup> February 2022)         |

### **Board of Governors**

A full list of Governors is given on page 15 of these financial statements.

### **Clerk**

Dr N Elgar

### **Professional Advisers**

|                   |                                     |
|-------------------|-------------------------------------|
| External auditors | Wylie & Bisset (Audit) Ltd, Glasgow |
| Internal auditors | ICCA, Birmingham                    |

|         |   |
|---------|---|
| Bankers | Santander Bank, Merseyside<br>Lloyds Bank plc, Manchester |
|---------|---|

|           |   |
|-----------|---|
| Solicitor | Analysis Legal, Stockport<br>Bromley LLP, Ashton-under-Lyne |
|-----------|---|

|  |                                  |
|--|----------------------------------|
| <b>Principal and Registered Office</b> | Beaufort Road, Ashton-under-Lyne |
|--|----------------------------------|

## **Members' Report and Financial Statements**

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## MEMBERS REPORT

### NATURE, OBJECTIVES AND STRATEGIES

Members of the Corporation are pleased to present their report together with the audited financial statements for the year ended 31 July 2022.

#### Legal Status

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

#### Mission

The College's Mission, as approved by the Corporation, is:

***"Tameside College & Clarendon Sixth Form College will transform lives by offering first class education and training in order to improve employability and generate economic prosperity"***

The College has re-defined its values and behaviours expected from all in the college community. These values and behaviours are as follows:

*Excellence through learning; It's my responsibility; Work together; Value and respect each other; Act with integrity.*

The College welcomes people from all sections of the community. In all aspects of College life, the College promotes equal opportunities and values diversity.

The College works at a strategic level, in partnership with key local stakeholders, to create an environment where learning is valued, is easily accessible and available to all and promotes the economic, cultural and social wellbeing of our community.

#### Public Benefit

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

In delivering its mission, the College provides identifiable public benefits through the advancement of education to almost 8,000 students, including in excess of 100 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English, maths and digital courses. This also applied to any adults who are subject to the ESFA / CA rule changes for level 3 qualifications. The College adjusts its courses to meet the needs of local employers and provides training to around 400 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

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

- High quality teaching
- Widening participation and tackling social exclusion
- An excellent record of progression to employment, Apprenticeships or HE for students
- Strong student support systems
- Highly effective links with employers, industry and commerce.
- A strong GM focus working collaboratively with key partners

## Implementation of Strategic Plan

The College five-year strategic plan was approved by the Corporation in April 2020, and runs until summer 2025. It is reviewed on an annual basis. The Corporation monitors the performance of the College against this plan. The College's current strategic objectives are:

1. People; to enable all our people to develop the skills, knowledge and behaviours they need to play a productive role in the local and regional economy.
2. Finance & Business Growth; to ensure the College is financially resilient and maintains its strong financial health.
3. Quality; to do the right things, right the first time.
4. Curriculum; to provide a high quality teaching, learning and assessment experience, which leads to outstanding learner attainment and progression.
5. Estate & Resources; to ensure everyone is able to access a high quality, safe and secure learning and working environment

## Financial Objectives

The College's financial objectives are:

- To maintain the very strong financial performance of the College, to ensure a sustainable college which provides value for money.
- To maximise course level productivity
- To keep staffing costs to sector norms
- To achieve or exceed learner number targets including 14-16, 16-18, adult, apprenticeships, levy business and higher education.

## Performance indicators

| Key Performance Indicator                    | Measure/Target | Actual for 2021/22 |
|--|----------------|--------------------|
| Financial Health score                       | Outstanding    | Outstanding        |
| EBITDA as a % of income – education specific | 9.89%          | 8.52%              |
| Student number targets (16-18)               | 2,660          | 2,915              |
| Student achievement (all age – overall)      | 95%            | 85%                |
| Staff satisfaction (via survey)              | 85%            | 86%                |
| Ofsted rating                                | Good           | Good               |

The College is committed to observing the importance of sector measures and indicators and uses sector benchmarks for measures such as overall achievement rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The College is assessed by the ESFA as having an "Outstanding" financial health grading.

## FINANCIAL POSITION

### Financial Results

The College incurred a deficit before other gains and losses in the year of £1,705,000 (2020/21: deficit of £115,000), with total comprehensive income of £19,489,000, (2020/21: (£1,870,000)). The large movement reflect favourable pension valuations detailed within this report and in the notes to the accounts

Tangible fixed asset additions during the year amounted to £4,627,000 (2020/21: £8,599,000).

The College has accumulated reserves of £31,039,000 (2020/21: £11,548,000), the large increase is due to the Pensions valuations and may revert back as the economy stabilises. Cash and short term investment balances are not affected by the pension's actuarial valuations and stand at £8,229,000 (2020/21: £9,682,000). The College

wishes to continue to manage reserves and cash balances in order to create a contingency fund and to fund estate development and modernisation.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2021/22 the funding bodies provided 85% (2020/21: 86%) of the College's total income.

The College has two wholly owned subsidiaries.

*Tameside College Energy Supply Limited* – This company was originally set up to supply energy to the College until March 2001. This subsidiary started trading again in 2003, developing and selling software in the Further Education market in partnership with Compass Computer Consultants Ltd. All surpluses generated by the subsidiary were transferred by deed of covenant. The company ceased to trade once again in September 2012.

*Tameside College Services Limited* – This Company has never traded.

### **Pensions Actuarial Valuation**

Colleges in the sector have experienced unusual Pension valuations on their local government actuarial reports. This has shown the usual Pensions Liability being re-valued into an asset position and is largely due to the impact of economic instability and rising inflation rates. This mainly affects the Reserves and Pension Liability on the Balance Sheet but does not affect cash. The College has reported a nil liability on the Balance Sheet but this is expected to be a temporary fluctuation in the market and may revert back to more usual levels in future years.

### **Financial plan**

The College Governors approved an ESFA financial plan in July 2022, which sets objectives for the period to July 2024.

### **Treasury policies and objectives**

The College has a treasury management policy in place to manage cash flows, banking arrangements and the risks associated with those activities. Short term borrowing for temporary revenue purposes is authorised by the Principal/Chief Executive Officer. All other borrowing requires the authorisation of the Corporation. There has been no borrowing in 2021/22.

### **Cash flows and liquidity**

The College had a net cash outflow of £1,453,000 during the year (2020/21 £194,000 outflow), which was anticipated following significant investment in its Estates. The College has cash and investment balances of £8,229,000 million (2019/20: £9,682,000).

### **Reserves Policy**

The College's Reserves Policy is included within the Financial Regulations and the College recognises the importance of reserves in the financial stability of the organisation, and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date, the Income and Expenditure reserve stands at £29,381,000 (2019/20: £9,826,000). The large increase is due to the effects of the Pensions actuarial valuations and is unlikely to continue at these unusually high levels. The College wishes to continue to manage reserves and cash balances in order to create a contingency fund and to meet future capital requirements.

## **CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

### **Financial health**

The College's Financial Health grading for 2020/21 was assessed by the ESFA as Outstanding. During 2021/22 the College continued to operate as a financially strong college and it is planned to remain financially outstanding in its ESFA financial plan submitted in July 2022.

## **Student Numbers**

In 2021/22 the College delivered activity that has produced £22 million in funding body main allocation funding (2020/21 - £20 million). The College had approximately 7,092 funded and 869 non-funded students.

## **Student achievements**

Tameside College and Clarendon Sixth Form College has a community focus with an emphasis on improving the life chances of its learners and the local community. The curriculum offer provides opportunities to gain well respected qualifications at all levels which enable progression in higher education or into employment supporting the growth of priority sectors. In academic year 2021/22 the college achievement rates must be viewed in line with the overall impact of Covid 19 and care must be taken in regard to trend analysis and the use of national comparators. The overall college achievement rate has declined by 5.4% however benchmarking results within the sector confirms that our performance remains strong comparatively and the reintroduction of grade boundaries, along with the reintroduction of exams, following CAG and TAG assessments, has impacted overall achievement rates.

The number of study programme students who have not achieved a grade 4 or better by age 16 and so are required to continue to study English and/or Mathematics remains extremely high. The College has a GCSE grade improvement strategy where the very significant majority of learners will re-sit the GCSE with a view to grade improvement in 1 year and a longer-term achievement of grade 4 for many. A very small minority of study programme learners will complete functional skills when on entry level programmes. The College has grade 6 ALPs for it's A level provision at C6 and a Grade 5 for BTEC vocational courses at Tameside College, these scores have declined in the past academic year since the reintroduction of Grade Boundaries.

Apprentice learner achievement is 66.5%. This is a +10.1% improvement on 2021/22. It is below the 72% target, however there were 19 apprentices who completed their learning in 2021/22, but their EPA final achievement date now falls within 2022/23. If these had have achieved by the end of 2021/22, the achievement rate would have been 71% .

## **Curriculum Developments**

In the academic year 2020/21, the College the curriculum provision ranged from pre-entry to level 7 (BA Hons).

- Health, Public Services and Care
- Agriculture, Horticulture and Animal Care
- Science & Mathematics
- Engineering & Advanced Manufacturing Technologies
- Construction, Planning & Built Environment
- Information & Communications Technology
- Retail & Commercial Enterprise
- Leisure, Travel & Tourism
- Arts, Media & Publishing
- History, Philosophy and Theology
- Social Sciences
- Languages, Literature & Culture
- Education & Training
- Preparation for Life & Work
- Business, Administration & Law
- Apprenticeships were delivered across intermediate and advanced frameworks with a wide range of employers from SMEs and other larger providers. Primarily apprenticeships were in the areas of Construction Services and Engineering Industries, Food, Hospitality and Catering, Dental Nursing and Childcare, Accounting and Hair & Beauty.
- The College has continued to take the lead as the main provider of post-16 High Needs Special Educational provision across the Borough and played a significant role in 14-16 education and training in partnership with a range of Schools.

- The modest HE provision focusses primarily on and teacher education programmes and HNC/D pathways and includes the delivery for Siemens, Amazon and their pipeline of national employers.
- The College policy for English and Maths in 2021/22 has led to growth in numbers for GCSE and a reduction in Functional skills candidates.

#### **Accommodation Strategy**

The new Construction Skills building completed in the year and opened in January 2022. All grant funding from GMCA in relation to this building £3.3m, has been received in full.

During the year, the College was awarded grant funding towards a £975k project for T-levels (50:50 matched). This allowed the College to refurbish 'C' floor and the remaining half of 'B' Floor in the Victoria Building to create specialist teaching space for Health and Social Care. The new facilities will be ready for Teaching in September 2022.

Further grant funding for T Levels was awarded during the year for a £998k which will enable the College to refurbish 'D' Floor of the Victoria Building. This will provide specialist teaching space for the Childcare and Early Years department and is expected to be ready for Teaching in September 2023

The College has successfully been awarded an £11m FE Capital Transformation Fund which is to be used to develop the facilities at Beaufort Road. This will be partly grant funded and the plan will be commissioned as two Projects. The first will create a bespoke Teaching space for Animal Management which is expected to complete for Teaching in September 2023 and the second will focus on Motor Vehicle with this facility ready for teaching in September 2024.

The College also has a £1m fully funded collaboration grant as part of the Greater Manchester Institute of Technology, which is intended to support the Engineering department to provide modernised Teaching Facilities.

#### **Payment performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2021 to 31 July 2022, the College paid 98 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

#### **Events after the end of the reporting period**

There have been no significant post balance sheet events.

#### **Future prospects**

The College's property master planning seeks to rationalise and modernise remaining facilities at its Beaufort Road site. The College's initial three phase capital build project has developed over the past year to a six phase plan.

It will continue to see increased learner numbers. The capital programmes will also maximise estate efficiencies.

- Phase 1 – T Level Childcare and Early Years at Beaufort Road
- Phase 2 – Further Education Capital Transformation Project at Beaufort Road including the Animal Management and Motor Vehicle facilities
- Phase 3 – Completion of internal refurbishment of the Victoria Building at Beaufort Road
- Phase 4 – Clarendon Sixth Form College
- Phase 5 - Medlock Refurbishment
- Phase 6 – High needs Facilities
- Phase 7 – Sports Facilities
- Phase 8 – Victoria External refurbishments

The College would like to reduce its dependency on funding bodies and continues to look to grow other provision including Levy Apprenticeship and HE Provision.

The College currently has no debt and believes it will continue to be financially strong going forward as supported by its 3-year financial plan approved by the Corporation in July 2022.

## **RESOURCES**

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

Tangible resources include sites at Beaufort Road, TCFE and Camp Street. The College also has land which can be released for Victoria Street, Hyde, and a small local carpark.

### **Financial**

The College has net assets of £31.0m (excluding any future pension liability, currently at nil), (2020/21: £11.5m) (including £19m pension liability) and has no long term debt.

### **People**

The College employs 469 staff (2020/21: 441) (expressed as average head count), of whom 207 (2020/21: 260) are teaching staff.

### **Reputation**

In 2017/18 OFSTED reported that "Managers have successfully cultivated effective partnerships with a range of stakeholders, resulting in a curriculum that meets local needs well and provides good work experience opportunities. Senior leaders and managers have developed and implemented an excellence in learning framework; which communicates clearly to staff the standards of teaching expected. The quality of, for example, adult learning courses, closely matches local employment needs. Clear progression pathways ensure that 16 to 18-year-olds and apprentices continue their education or secure long-term employment. As an outcome, the College and its senior leaders are highly regarded by employers, community partners and the local authority and learners enjoy and take pride in studying at the College. Improvements evidences in the last three years, including achievement rates, have been sustained.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational, and risk management which is designed to protect the College's assets and reputation.

Based on the Strategic Plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. The Risk Management Action Plan identifies systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against actions to mitigate the risks. In addition to the annual review, the Risk Management Group also considers any risks which may arise as a result of a new area of work being undertaken by the College.

A Risk Register is maintained at the College level which is reviewed at each Audit Committee meeting. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College

## 1. Government funding

The College has considerable reliance on continued government funding through the further education sector funding bodies and Office for Students. In 2021/22 93% (2020/21: 94%) 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 that public funding will continue at the same levels or on the same terms.

The College is aware of several issues that may impact on future funding including:

- A demand led funding system applies to FE colleges and other providers in respect of adult provision. The funding methodology applies a series of factors such as guided learning hours and achievement rates to calculate an amount of funding to be received for each learner. Such funding cannot be guaranteed though. The devolved arrangements in GM add another level of complexity, particularly in relation to any available growth funding.
- Learners aged 19+ studying Level 3 or above can access an 'Advanced Learning Loan' to pay course fees. Fees have increased as a result but it is difficult to assess the effect on demand in the medium term.
- The introduction of the Apprenticeship Levy has significantly affected the marketplace, as has demand led funding. However, the impact of Covid19 cannot be underestimated on the ability to recruit Apprentices, we are starting to see recovery signs but not to pre pandemic levels. The levy offers opportunity to grow the provision, but in a highly competitive marketplace.
- Local Authorities capping their allocation of element 3 funding for high needs learners and/or they are given the flexibility on the use of element 2 funding rather than it being guaranteed from the ESFA. The numbers of EHCP learners are continuing to rise with no mechanism for additional funding. This is a National issue.

The risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the College is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
- The College is developing partnership working to develop additional income sources and hence reduce the reliance on public funding
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
- Regular dialogue with funding bodies
- Rigorous controls of apprenticeship records
- A positive working relationship with the Local authorities with transparency on costs and effectively managing staff deployment
- Defunding of Level 3 vocational qualifications in favour of T Levels.

## 2. Tuition Fee Policy

The government fee assumption remains at 50% in 2021/22. However, the National Skills Fund provides full funding for adults. In line with the majority of other colleges, the College will increase tuition fees in accordance with the rising fee assumptions. The price elasticity of adult learning for the College is not yet fully understood. The risk for the College is that demand falls off as fees increase. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students
- Close monitoring of the demand for courses as prices change

## 3. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS102.

For the 2021/22, rising inflation rates has reduced the Colleges liability to a net asset position. The College has reported this as a nil assets in line with regulatory advice. The movement is unusual and not likely to continue as the economy stabilises.

This risk is mitigated this year by the favourable movements, however as this not expected to be a long term change, the risk will return and continue to be mitigated by an agreed deficit recovery plan with the Greater Manchester Pension Fund.

#### 4. Maintaining the financial viability of the College

The College's current financial health grade was assessed by the ESFA in May 2022 as Outstanding.

Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on cost of living rises and further education funding arising from the ongoing cuts in public sector spending whilst maintaining the student experience.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Regular in year budget monitoring
- Robust financial controls
- Exploring ongoing procurement efficiencies

#### 5. Financial and reputational risks associated with estate

The College identifies the risk in regards to the Estates Development Strategy on its Risk Register, as both financial and reputational risks.

A strong bank account, external funding, working group, and structured contingency plans have been developed to minimise any potential risk to the College.

### **STAKEHOLDER RELATIONSHIPS**

In 2021/22 the College worked with over 400 employers in a range of sectors, the vast majority of these are in Greater Manchester. Furthermore, the College maintained or further developed relationships with:

- The Greater Manchester Colleges Group
- Tameside Metropolitan Borough Council
- Chester University
- University of Salford
- University of Huddersfield
- GM Chamber of Commerce
- A range of Local Authorities
- The Growth Company
- The Hyde Group
- A range of Retail and Business employers
- Schools
- Siemens
- Amazon

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings, forums and working groups.

## **EQUALITY, DIVERSITY AND INCLUSION (EDI)**

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively, differences in protected characteristics as outlined in the Equality Act 2010. We strive vigorously to remove conditions which place people at a disadvantage and we will actively challenge intolerance of these principles. This approach is resourced, implemented and monitored on a planned basis through the College's policies and procedures including the Equality, Diversity and Inclusion Policy which includes the College's Equality Duty.

The College has an Equality, Diversity and Inclusion Strategy Group that ensures EDI is embedded in every area of the College. The College supports teachers to embed equality awareness into their. Good practice from walk-throughs which evaluate the quality of learning (from across all areas of the College), are used to share good practice and identify areas for further development. College performance indicators include those that enable any gaps between different groups to be identified and eradicated and ensure the College's values and behaviours are evident in everything we do.

The College is proud to have been awarded the Employment Service Kite mark 'Positive about Disabled People'. Where an existing employee becomes disabled, every effort is made to ensure that their employment with the College continues.

### **Gender pay gap reporting**

|                       | Year ending 31 March 2021 |
|-----------------------|---------------------------|
| Mean gender pay gap   | 5.78%                     |
| Median gender pay gap | 16.78%                    |

Tameside College does not operate a bonus scheme; as such there is not a requirement to report on bonus payments.

The proportion of males and females in each quartile of the pay distribution are:

|                               | Males | Females |
|-------------------------------|-------|---------|
| 1 - Lower quartile            | 37%   | 63%     |
| 2 – Between lower and median  | 30%   | 70%     |
| 3 – Above median, below Upper | 43%   | 57%     |
| 4 – Upper quartile            | 50.5% | 49.5%   |

The College publishes its annual gender pay gap report on its website.

## **DISABILITY STATEMENT**

The College seeks to achieve the objectives set down in the Equality Act 2010 and the College's Equality Duty is available on the College website. This demonstrates the impact of College policies, procedures and services on staff and learners with different protected characteristics including those with a disability/learning difficulty. At Tameside College, we are committed to Equality, Diversity & Inclusion in everything that we do relating to both staff and learners. Tameside College respects the values and differences of the nine protected characteristics. We believe that everyone should have an equal opportunity to meet their aspirations, realise their full potential and improve their life chances. As a sign of our commitment, Equality, Diversity and Inclusion has been embedded across our functions and is an integral part of our core values.

1. As part of its Accommodation Strategy the College updates its access audit. Experts in this field have previously conducted full access audits regularly, and the results of these have formed the basis of bids to the funding bodies for funding minor capital projects aimed at improving access.
2. Specialist equipment, such as radio aids, will be supported by the College. We specialist equipment available for use by students through the additional learning support team.

3. The College has made a significant investment in staffing to support students with learning difficulties and/or disabilities. There are a significant number of Learning Support Officers who provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
4. Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
5. Welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure information at induction.

#### **Trade union facility time**

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

| Numbers of employees who were relevant period | FTE employee number |
|---|---------------------|
| 2   | 0.19                |

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

|   |             |
|---|-------------|
| Total cost of facility time                     | £5,798      |
| Total pay bill                                  | £11,151,000 |
| Percentage of total bill spent on facility time | 0.05%       |

|   |      |
|---|------|
| Time spent on paid trade union activities as a percentage of total paid facility time | 100% |
|---|------|

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

Approved by order of the Members of the Corporation on 6 December 2022 and signed on its behalf by:



**John Lyne**  
Chair

## **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2021 to 31 July 2022 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
3. having due regard to the UK Corporate Governance Code insofar as it is applicable to the further education sector.

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

In the opinion of the Governors, the College substantively complies with all the provisions of the Code of Good Governance for English Colleges, having developed further in the year ending 31 July 2022. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standard of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015.

The 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 had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

## Statement of Corporate Governance and Internal Control

### THE CORPORATION

The Members who served the Corporation during the year ending 31 July 2022 and up to the date of signature of this report were as listed in the table below:

| Name                 | Date of Current Appointment / Term of Office | Date Membership Ceased | Status of Appointment         | Committees Served   | Attendance In 2021/22                         |
|----------------------|--|------------------------|-------------------------------|---------------------|---|
| Glodie Atieno        | 16/11/21<br>(2 years)                        | 31/07/22               | Student                       | -                   | 67% (4/6) (Board)                             |
| Alison Ashworth      | 01/09/18<br>(3 years)                        | 31/08/21               | Independent                   |                     | -   |
| Chris Bird           | 19/10/20<br>(1 year)                         | 18/10/21               | Independent                   |                     | 100% (1/1) (Board)                            |
| Damien Bourke        | 17/10/20<br>(4 years)                        |                        | Independent                   | Audit               | 50% (4/8) (Board)<br>100% (3/3)               |
| Simon Boyle          | 06/11/20<br>(3 years)                        |                        | Independent                   | Audit               | 75% (6/8) (Board)<br>33% (1/3)                |
| Phillip Brown        | 01/09/22<br>(2 years)                        |                        | Independent                   |                     | 89% (8/9) (Board)                             |
| Malcolm Bruce        | 16/10/20<br>(4 years)                        |                        | Independent                   | Remuneration Search | 78% (7/9) (Board)<br>100% (2/2)<br>100% (3/3) |
| Kirk Cornwall        | 24/05/22<br>(1 year)                         |                        | Independent                   |                     | 100% (1/1) (Board)                            |
| Jonathan Frankham    | 19/10/21<br>(3 years)                        |                        | Independent                   | Audit               | 100% (8/8) (Board)<br>100% (3/3)              |
| Rachael Frankland    | 15/03/22<br>(1 year)                         |                        | Independent                   |                     | 100% (3/3) (Board)                            |
| Abigail Holmes       | 07/12/21<br>(2 years)                        | 31/07/22               | Student                       | -                   | 75% (3/4) (Board)                             |
| Shayer Hussain       | 11/12/21<br>(2 years)                        |                        | Staff                         |                     | 89% (8/9) (Board)                             |
| Karen James          | 11/12/21<br>(4 years)                        |                        | Independent                   | Remuneration Search | 89% (8/9) (Board)<br>100% (2/2)<br>67% (2/3)  |
| John Lyne<br>(Chair) | 01/09/22<br>(4 years)                        |                        | Independent                   | Remuneration Search | 56% (5/9) (Board)<br>100% (2/2)<br>100% (3/3) |
| Jackie Moores        | 01/11/15<br>(N/A)                            |                        | Principal and Chief Executive | Search              | 100% (9/9) (Board)<br>100% (3/3)              |
| Elaine Price         | 19/10/21<br>(3 years)                        |                        | Independent                   | Audit               | 88% (7/8) (Board)<br>100% (3/3)               |
| Saariah Qureshi      | 24/05/22<br>(1 year)                         |                        | Independent                   |                     | 100% (1/1) (Board)                            |
| Chris Rushton        | 10/12/19<br>(3 years)                        |                        | Independent                   | Remuneration        | 89% (8/9) (Board)<br>100% (2/2)               |
| Joan Ryan            | 01/09/20<br>(1 year)                         | 31/08/21               | Independent                   | -                   | -   |
| Arsana Subba         | 06/12/22                                     |                        | Student                       |                     | N/a   |
| Joshua Lester        | 06/12/22                                     |                        | Student                       |                     | N/a   |

Note: There was one combined meeting of the Audit Committee and the full Board (to consider the report of the external auditors). Attendance of Audit Committee members is recorded within the Audit Committee. The attendance of all other Governors is recorded within Board meetings.

The overall attendance at Corporation meetings for the year 1 August 2021 to 31 July 2022 was 85% (attendance in 2020/21 was 90%). Included in the overall attendance figure is the attendance of Tom Wilkinson, who served as an External Co-opted Member (i.e. not a Governor) of the Corporation's Audit Committee during the year ended 31 July 2022, during which time his attendance was 100% (3/3 meetings).

Attendance of individual members is monitored by the Search Committee (along with the value of their contribution at meetings they have attended) with actions taken as appropriate.

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

The Corporation is provided with regular and timely information on the overall performance of the College including financial performance; risk management; proposed capital expenditure; quality matters covering the quality of teaching, learning and assessment offered by the College and student outcomes; safeguarding, equality, diversity and inclusion, and personnel related matters including health and safety and environmental issues. Major considerations during 2021/22 included the recruitment of two Senior Post Holders; property development (including the Construction skills Centre); the merger with Tameside Adult and Community Education (TACE); environmental sustainability; equality, diversity and inclusion; and, financial sustainability during a cost of living crisis and rapidly rising energy costs.

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 and a clear understanding of the distinction between governance and management. There are clear role descriptions for Corporation Members, the Corporation Chair and the Principal which underline this distinction.

### **Corporation Committees**

Due to the COVID-19 pandemic, all Corporation business in 2021/22 was conducted remotely via Microsoft Teams. No meetings needed to be cancelled and Governor attendance remained high (85%) (90% in 2020/21). Governors were keen to retain the benefits of remote meetings and agreed to hold a mix of face-to-face and remote Board meetings in 2022/23, with all committee meetings to be held remotely.

The Corporation discontinued the Curriculum and Standards (C&S) Committee and the Finance and Resources Committee at the end of 2020/21 and so 2021/22 represented a transitional year to new working arrangements. Benefits included a reduction in duplication of business, Governors developing a wider understanding of the entirety of College business, and an overall lower demand on Governor time.

The remaining committees of the Corporation are:

#### **Audit Committee**

The Audit Committee comprises five members that precludes the Principal, Chair of the Corporation and Staff Member. It met three times during the year ended 31 July 2022. Attendance records of members is shown in the table on page 15. The Committee operates in accordance with written terms of reference approved by the Corporation and which take account of the requirements set out in the Post-16 Audit Code of Practice 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA). It notably acts as the Corporation's risk committee.

The Audit Committee provides a forum for reporting by the College's internal and external auditors, who have direct access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the Funding Agencies as they affect the College's business.

The appointed internal audit service has a role to monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed audit plan and report their findings to management and the Audit Committee. Management are responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented. The College's external auditors are responsible for ensuring that the financial statements present a true and fair view of the College's activities for the year under review.

The Audit Committee reviews the performance of both the internal auditors and the financial statements auditors and advises the Corporation on their appointment and remuneration.

### **Remuneration Committee**

The Remuneration Committee comprises four members that precludes the Principal, Staff and Student Members. The Committee met twice times during the year ended 31 July 2022. The Committee operates in accordance with written terms of reference approved by the Corporation. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and employment conditions of the Principal and other designated Senior Post Holders. The Committee met to consider the performance and remuneration of the Principal and other designated Senior Post Holders. It considered the College's compliance with The Colleges' Senior Post Holder Remuneration Code developed for the sector by the Association of Colleges and adopted by the Corporation. The Committee also considered the Remuneration Annual Report, which was subsequently approved by the Corporation and posted on the College website. The report followed the format suggested in the Annex to the Code.

Details of key management personnel remuneration for the year ended 31 July 2022 are set out in Note 7 to the financial statements.

### **Search Committee**

The Search Committee comprises five members. The Committee met three times during the year ended 31 July 2022. The Committee operates in accordance with written terms of reference approved by the Corporation. The Committee's remit is to advise the Board on appointments to the Corporation and on matters of governance.

During the year the Search Committee reviewed member attendance, member's term of office and succession planning, applications to join the Corporation, the Code of Good Governance for English College Corporations, and options for the appraisal of the Chair and a policy and process for the appointment of Governors.

### **College Subsidiary Company – Tameside College Energy Supplies Ltd**

This company is incorporated under the Companies Act 2006 as a private company and registered in England and Wales. The principal business of the company was the development of software in the FE sector in partnership with Compass Computer Consultants Limited. The company ceased to trade in September 2012. John Lyne and Jackie Moores were directors throughout the year.

### **Corporation Chair**

John Lyne was Chair of the Corporation throughout the year.

### **Clerk to the Corporation**

Nils Elgar acted as Clerk to the Corporation throughout the year.

The Clerk to the Corporation undertakes regular professional development activities. During 2021/22, this included completing the Governance Professionals' Development Programme (GPDP) in conjunction with the Oxford Saïd Business School, participation in the Association of Colleges (AoC) Governors' Summit and an AoC NW Governance Professionals' Conference, regular attendance at the AoC North West Governance Professionals' Network Meetings, various HR-related training sessions led by legal firms operating in the further education sector and through regular reading of AoC and other educational briefings.

The non-confidential minutes of all Corporation meetings can be found on the College's website – [www.tameside.ac.uk](http://www.tameside.ac.uk) or can be requested by writing to the Clerk to the Corporation at:

Tameside College  
Beaufort Road  
Ashton under Lyne  
OL6 6NX

The Clerk to the Corporation maintains a register of financial and personal interests of the Members of the Corporation. The Register is available for inspection by appointment 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 advises the Board on governance matters and is responsible to the Board for ensuring compliance with all applicable procedures and regulations.

Formal agendas, papers and reports are supplied to Members in a timely manner, prior to Corporation and committee meetings. Briefings on specific and topical issues are also provided to Members to assist their decision making.

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation Board as a whole. The Search Committee is responsible for advising the Corporation Board on the appointment of Members to the Independent Member category. The Corporation is responsible for ensuring that appropriate training is provided for Members, as required.

During 2021/22 development activities included comprehensive inductions for all new Governors, both in-house and external sessions provided by the AoC; bespoke development requested by Governors, such as ETF Finance Masterclass sessions and meetings with managers to discuss areas of interest, such as CEIAG and how the College was meeting the skills needs of the community; tours of the College estate; in depth Key Discussion Topics held during Board meetings; and, circulation of relevant briefings, such as the AoC Chief Executive Briefings.

Members of the Corporation are appointed for a term of office not exceeding four years although members who reach the end of their term of office are eligible to be considered for re-appointment. Decisions on re-appointments will be made in accordance with the needs of the Corporation. As part of its succession planning, the Corporation recently saw the retirement of two Governors that had each served for 12 years. Currently there are two further members of the Corporation that have served greater than two terms of four years (eight years), one of whom is currently serving as the Chair and the other with specific industry and business enterprise experience.

### **Corporation Performance**

The Corporation will focus the evaluation of its own performance for the year ended 31 July 2022 on a gap analysis of its performance against that of the Code of Good Governance for English College Corporations (September 2021 version), together with the results of the Governor Self-Assessment for 2021/22 and an analysis of College performance against Ofsted EIF criteria. On 5 July 2022, the Corporation adopted the September 2021 version of the Code of Good Governance and noted that good strides had already been made towards compliance. Broad areas identified for further discussion and development in respect of the Code of Good Governance included:

- expectations in relation to environmental sustainability;
- expectations and requirements in relation to effective governance structures and reviews.

The evaluation activity is considered by Search Committee and informs the subsequent governance development programme.

## **Internal Control**

### ***Scope of Responsibility***

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreements between the College and the funding bodies. She is also responsible for reporting to the Corporation any material weaknesses or break-downs 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 on-going process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Tameside College for the year ended 31 July 2022 and up to the date of approval of the annual report and financial statements.

### ***Capacity to Handle Risk***

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2022 and up to the date of approval of the annual report and financial statements. 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, administration 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
- In response to the COVID-19 pandemic, the College reviewed and updated its financial forecasts, updated business continuity arrangements, developed risk assessments, and developed a re-opening plan together with guidance for staff and students.

Tameside College has an internal audit service, which operates in accordance with the requirement of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee.

The Head of Internal Audit annually provides the Corporation with a report on internal audit activity in the College. The report includes the auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### ***Risks Faced by the Corporation***

The key risks facing the Corporation include: financial (securing income, income diversification, spending allocations, controlling expenditure); curriculum achievement rates / quality; safeguarding; business continuity; accommodation strategy, recruitment / adequate staffing levels, data protection and COVID-19.

### ***Statement from the Audit Committee***

The Audit Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2021/22 and up to the date of the approval of the financial statements included:

- Reviewed and assessed key risks facing the College and the control measures in place to mitigate those risks
- Considered the scope of work for the Internal Auditors, based upon the Risk Register and areas recently subject to internal audit. The agreed scope of works being Exams, Anti-Fraud and Corruption Controls, Digital Learning Strategy, Industry Placements, Teaching and Learning Observations and Lesson Walks and External Assurance Sub-Contracting Controls, Follow up of Previous Recommendations
- Received Internal Audit reports on the agreed scope of work, considered the outcomes and monitored management action against those outcomes and recommendations.
- Received the External Auditor and Reporting Accountant's report and considered the outcomes for onward recommendation to the Board
- Considered the Audit Planning Memorandum for the Year Ended 31 July 2022 from the External Auditor and the Internal Audit Plan and Strategy 2022/23.

### ***Review of Effectiveness***

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

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

The Principal has been advised on the implications of the result of her 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, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training.

The Senior Management Team and Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports from the Senior Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2022

by considering documentation from the Senior Management Team and internal audit, the Audit Committee's Annual Report for 2021/22 and taking account of events since 31 July 2022

Based on the advice of the Audit Committee and the Principal, 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"*.

**Going Concern**

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Approved by order of the Members of the Corporation on 6 December 2022 and signed on its behalf by:



**John Lyne**  
Chair



**Jackie Moores**  
Accounting Officer

**Statement of Regularity, Propriety and Compliance**

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

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

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



**John Lyne**  
*Chair*

6 December 2022



**Jackie Moores**  
*Accounting Officer*

6 December 2022

## **Statement of the Responsibilities of the Members of the Corporation**

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

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA, the Corporation – through its Accounting Officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the Corporation and its surplus / deficit of income over expenditure for that period.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

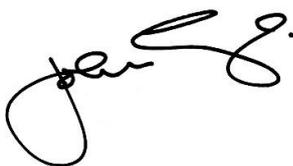
The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the Members of the Corporation on 6 December 2022 and signed on its behalf by:



**John Lyne**  
Chair

## **TAMESIDE COLLEGE INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TAMESIDE COLLEGE FOR THE YEAR ENDED 31 JULY 2022**

### **Opinion**

We have audited the financial statements of Tameside College (the 'College') for the year ended 31 July 2022 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 of the state of the College's affairs as at 31 July 2022, and of its income and expenditure, gains and losses and changes in reserves, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction issued by the Office for Students ('the OfS Accounts Direction').

### **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 Annual 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.

## **TAMESIDE COLLEGE INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TAMESIDE COLLEGE FOR THE YEAR ENDED 31 JULY 2022**

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.

We have nothing to report in respect of the following matters in relation to which the Regulatory Advice 9: Accounts Direction issued by the Office for Students requires us to report to you if, in our opinion:

- where applicable, funds from whatever source administered by the provider for specific purposes have not been properly applied to those purposes and managed in accordance with relevant legislation; or
- where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have not been applied in accordance with the relevant terms and conditions; or
- the requirements of the OfS's accounts direction have not been met; or
- the provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the College's expenditure on access and participation activities for the financial year has been materially misstated

### **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.

## **TAMESIDE COLLEGE INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TAMESIDE COLLEGE FOR THE YEAR ENDED 31 JULY 2022**

### **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 Financial Reporting Council'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:

#### **Extent to which the audit was considered capable of detecting irregularities including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we 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 2020 to 2021;
- Compliance with the requirements of the Department for Education, Education & Skills Funding Agency and the Office for Students; and
- 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 2020 to 2021.

We evaluated 1) management and trustees' incentives and 2) 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;

## **TAMESIDE COLLEGE INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TAMESIDE COLLEGE FOR THE YEAR ENDED 31 JULY 2022**

### **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, the Office for Students and the Office for Standards in Education; and
- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by 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.

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### **Wylie & Bisset (Audit) Limited**

Chartered Accountants  
 Statutory Auditor  
 168 Bath Street  
 Glasgow  
 G2 4TP

Date: 6th December 2022

## **Reporting accountant's assurance report on regularity**

### **To: The corporation of Tameside College and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA)**

In accordance with the terms of our engagement letter dated 03 November 2022 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 Tameside College during the period 1 August 2021 to 31 July 2022 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 Tameside 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 Tameside 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 Tameside College and the ESFA for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Tameside College and the reporting accountant**

The corporation of Tameside 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 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the 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;
- 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, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

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### **Wylie & Bisset (Audit) Limited**

Chartered Accountants  
Statutory Auditors  
168 Bath Street  
Glasgow  
G2 4TP

Date: 6 December 2022

## Statements of Comprehensive Income and Expenditure

|  | Notes | Year ended 31 July<br>2022<br>£'000 | Year ended 31 July<br>2021<br>£'000 |
|--|-------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>  |       |                                     |                                     |
| Funding body grants                                    | 2     | 21,711                              | 20,316                              |
| Tuition fees and education contracts                   | 3     | 2,458                               | 2,482                               |
| Other grants and contracts                             | 4     | 815                                 | 674                                 |
| Other income   | 5     | 544                                 | 90                                  |
| Endowment and investment income                        | 6     | 8                                   | 14                                  |
| Donations and Endowments                               |       | -                                   | -                                   |
| <b>Total income</b>                                    |       | <b>25,536</b>                       | <b>23,576</b>                       |
| <b>EXPENDITURE</b>                                     |       |                                     |                                     |
| Staff costs  | 7     | 17,964                              | 16,354                              |
| Fundamental restructuring costs                        | 7     | 60                                  | 144                                 |
| Other operating expenses                               | 8     | 6,409                               | 4,985                               |
| Depreciation   | 10    | 2,153                               | 1,929                               |
| Interest and other finance costs                       | 9     | 320                                 | 279                                 |
| <b>Total expenditure</b>                               |       | <b>26,906</b>                       | <b>23,691</b>                       |
| <b>(Deficit)/surplus before other gains and losses</b> |       | <b>(1,370)</b>                      | <b>(115)</b>                        |
| (Deficit) on disposal of assets                        | 10    | (336)                               | -                                   |
| <b>(Deficit)/surplus before tax</b>                    |       | <b>(1,705)</b>                      | <b>(115)</b>                        |
| Taxation   |       | -                                   | -                                   |
| <b>(Deficit)/surplus for the year</b>                  |       | <b>(1,705)</b>                      | <b>(115)</b>                        |
| Unrealised surplus on revaluation of assets            |       | -                                   | -                                   |
| Actuarial gain/(loss) in respect of pensions schemes   | 22    | 21,194                              | 1,985                               |
| <b>Total Comprehensive Income for the year</b>         |       | <b>19,489</b>                       | <b>1,870</b>                        |
| <b>Represented by:</b>                                 |       |                                     |                                     |
| Unrestricted comprehensive income                      |       | 19,489                              | 1,870                               |
| Restricted comprehensive income                        |       | -                                   | -                                   |
|  |       | <b>19,489</b>                       | <b>1,870</b>                        |

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

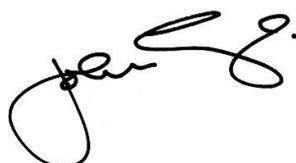
## Statement of Changes in Reserves

|   | Income and<br>Expenditure<br>account | Revaluation<br>reserve | Restrict<br>ed<br>Reserves | Total<br>excluding<br>Non<br>controllin<br>g interest |
|---|--------------------------------------|------------------------|----------------------------|---|
|   | £'000                                | £'000                  | £'000                      | £'000   |
| <b>Balance at 1st August 2020</b>                                 | 7,893                                | 1,785                  | -                          | 9,678   |
| Surplus/(deficit) from the income and expenditure account         | (115)                                | -                      | -                          | (115)   |
| Other comprehensive income  | 1,985                                |                        |                            | 1,985   |
| Transfers between revaluation and income and expenditure reserves | 63                                   | (63)                   |                            | -   |
| <b>Movement at 31st July 2021</b>                                 | 1,933                                | (63)                   | -                          | 1,870   |
| <b>Balance at 31st July 2021</b>                                  | <b>9,826</b>                         | <b>1,722</b>           | -                          | <b>11,548</b>   |
| Surplus/(deficit) from the income and expenditure account         | (1,705)                              | -                      | -                          | (1,705)   |
| Other comprehensive income  | 21,194                               |                        |                            | 21,194  |
| Transfers between revaluation and income and expenditure reserves | 64                                   | (64)                   |                            | -   |
| <b>Total comprehensive income for the year</b>                    | 19,553                               | (64)                   | -                          | 19,489  |
| <b>Balance at 31st July 2022</b>                                  | <b>29,379</b>                        | <b>1,658</b>           | -                          | <b>31,037</b>   |

## Balance Sheet as at 31 July 2022

|  | <b>Notes</b> | <b>2022</b>   | <b>2021</b>   |
|--|--------------|---------------|---------------|
|  |              | <b>£'000</b>  | <b>£'000</b>  |
| <b>Fixed assets</b>  |              |               |               |
| Tangible fixed assets  | 10           | 40,001        | 37,862        |
| Investments  | 11           | -             | -             |
|  |              | <u>40,001</u> | <u>37,862</u> |
| <b>Current assets</b>  |              |               |               |
| Trade and other receivables                                    | 12           | 1,120         | 1,197         |
| Investments  |              | -             | -             |
| Cash and cash equivalents                                      |              | <u>8,229</u>  | <u>9,682</u>  |
|  |              | <b>9,349</b>  | <b>10,879</b> |
| <b>Less: Creditors – amounts falling due within one year</b>   | 13           | (5,342)       | (5,353)       |
|  |              | <u>4,009</u>  | <u>5,526</u>  |
| <b>Net current assets</b>                                      |              | <b>4,009</b>  | <b>5,526</b>  |
| <b>Total assets less current liabilities</b>                   |              | <b>44,008</b> | <b>43,388</b> |
| Less: Creditors – amounts falling due after more than one year | 14           | (12,806)      | (12,883)      |
| <b>Provisions</b>  |              |               |               |
| Defined benefit obligations                                    | 22           | -             | (18,766)      |
| Other provisions   | 16           | (165)         | (191)         |
|  |              | <u>31,037</u> | <u>11,548</u> |
| <b>Total net assets</b>  |              | <b>31,037</b> | <b>11,548</b> |
| <b>Restricted reserves</b>                                     |              |               |               |
| Pension Reserve  |              | -             | -             |
| <b>Unrestricted reserves</b>                                   |              |               |               |
| Income and expenditure account                                 |              | 29,379        | 9,826         |
| Revaluation reserve  |              | 1,658         | 1,722         |
|  |              | <u>31,037</u> | <u>11,548</u> |
| <b>Total unrestricted reserves</b>                             |              | <b>31,037</b> | <b>11,548</b> |
| <b>Total reserves</b>  |              | <b>31,037</b> | <b>11,548</b> |

The financial statements on pages 30 to 54 were approved and authorised for issue by the Corporation on 6 December 2022 and were signed on its behalf on that date by:



**John Lyne**  
Chair



**Jackie Moores**  
Accounting Officer

## Statement of Cash Flows

|   | <b>Notes</b> | <b>2022</b>    | <b>2021</b>    |
|---|--------------|----------------|----------------|
|   |              | <b>£'000</b>   | <b>£'000</b>   |
| <b>Cash inflow from operating activities</b>                          |              |                |                |
| Surplus/(deficit) for the year  |              | (1,705)        | (115)          |
| <b>Adjustment for non cash items</b>                                  |              |                |                |
| Depreciation  | 10           | 2,153          | 1,929          |
| (Increase)/decrease in debtors  |              | 77             | (592)          |
| Increase/(decrease) in creditors due within one year                  | 13           | (13)           | 1,584          |
| Increase/(decrease) in creditors due after one year                   | 14           | (77)           | 3,792          |
| Increase/(decrease) in provisions                                     | 16           | (12)           | (13)           |
| Pensions costs less contributions payable                             | 22           | 2,414          | 1,820          |
| <b>Adjustment for investing or financing activities</b>               |              |                |                |
| Investment income   | 6            | (8)            | (14)           |
| Interest payable  |              | -              | -              |
| Loss on sale of fixed assets  |              | -              | -              |
|   |              | <u>2,829</u>   | <u>8,391</u>   |
| <b>Net cash flow from operating activities</b>                        |              |                |                |
| <b>Cash flows from investing activities</b>                           |              |                |                |
| Proceeds from sale of fixed assets                                    |              | -              | -              |
| Disposal of tangible fixed assets                                     |              | 336            | -              |
| Investment income   |              | 8              | 14             |
| Payments made to acquire fixed assets                                 |              | (4,627)        | (8,599)        |
|   |              | <u>(4,283)</u> | <u>(8,585)</u> |
| <b>Cash flows from financing activities</b>                           |              |                |                |
| Interest paid   |              | -              | -              |
|   |              | <u>(1,454)</u> | <u>(194)</u>   |
| <b>Increase / (decrease) in cash and cash equivalents in the year</b> |              |                |                |
| Cash and cash equivalents at beginning of the year                    |              | 9,682          | 9,876          |
| Cash and cash equivalents at end of the year                          |              | 8,229          | 9,682          |

## Notes to the Accounts

### 1. Statement of accounting policies and estimation techniques

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

#### **Basis of preparation**

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2021 to 2022* 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 and in accordance with applicable United Kingdom Accounting Standards.

#### **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 presented in the Financial Statements and accompanying Notes.

The College currently has £nil of loans outstanding with bankers. The College currently has cash and investments of £8.2m. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

#### **Recognition of income**

##### *Revenue grant funding*

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. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from Office for Students represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

### **Capital grant funding**

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

#### *Fee income*

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

#### *Investment income*

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

### **Agency arrangements**

The College acts as an agent in the collection and payment of 16-19 bursary funds and adult learner loan bursary funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### **Accounting for post-employment benefits**

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

#### *Teachers' Pension scheme (TPS)*

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### *Greater Manchester 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 interest and other finance costs.

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

Further details of the pension schemes are given in Note 22.

### **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 a 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**

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

#### *Land and buildings*

Land and buildings inherited from the Local Education Authority 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. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Leasehold land and buildings are amortised over 40 years or, if shorter, the period of the lease. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

On adoption of FRS 102, the College followed the transitional provisions to retain the book value of land and buildings, which were revalued in 1996, but not to adopt a policy of revaluations of these properties in the future.

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 asset(s) may not be recoverable.

#### *Subsequent expenditure on existing fixed assets*

Where significant expenditure is incurred on tangible fixed assets it is charged to the consolidated statement of comprehensive income 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.

#### *Buildings owned by third parties*

Where land and buildings are used, but the legal rights are held by a third party [for example a charitable trust], they are only capitalised if the College has rights or access to ongoing future economic benefit.

These assets are then depreciated over their expected useful economic life.

### *Assets under construction*

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

### *Equipment*

Equipment costing less than £1,000 per individual item is recognised as expenditure 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 valuation].

All other equipment is depreciated over its useful economic life as follows:

|                                      |   |         |
|--------------------------------------|---|---------|
| Motor vehicles and general equipment | - | 5 years |
| Computer equipment                   | - | 3 years |
| Furniture and fittings               | - | 5 years |

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.

### **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<sup>st</sup> 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 lease premiums and incentives to the date of the first market rent review for leases signed before 1<sup>st</sup> August 2014.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

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

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

### **Investments and endowment assets**

Fixed asset investments are carried at historical cost less any provision for impairment in their value. Listed investments held as fixed assets or endowment assets are stated at market value. Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

### **Other investments**

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

### **Cash and cash equivalents**

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

### **Financial liabilities and equity**

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

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group 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.

### **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 sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature. The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

### **Provisions and contingent liabilities**

Provisions are recognised when

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

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

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

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

### **Judgements in applying accounting policies and key sources of estimation uncertainty**

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

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

and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

*Other key sources of estimation uncertainty*

- *Tangible fixed assets*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives 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 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. 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.

## 2 Funding council grants

|   | Year ended 31 July<br>2022<br>£'000 | Year ended 31 July<br>2021<br>£'000 |
|---|-------------------------------------|-------------------------------------|
| <b>Recurrent grants</b>   |                                     |                                     |
| Education and Skills Funding Agency - adult                                     | 100                                 | 84                                  |
| Education and Skills Funding Agency – 16 -18                                    | 15,695                              | 14,629                              |
| Education and Skills Funding Agency - apprenticeships                           | 1,801                               | 1,558                               |
| Greater Manchester Combined Authority - adult                                   | 2,778                               | 2,700                               |
| Office for Students   | 107                                 | 137                                 |
| <b>Specific Grants</b>  |                                     |                                     |
| Education and Skills Funding Agency - 16-19 Tuition Fund                        | 420                                 | 375                                 |
| Education and Skills Funding Agency - Mass testing funding                      | 9                                   | 34                                  |
| Education and Skills Funding Agency - Early Years Careers Post 16 NQT +1 Mentor | 2                                   |                                     |
| Greater Manchester Combined Authority - COVID funding                           | 0                                   | 50                                  |
| Teacher Pension Scheme contribution grant                                       | 406                                 | 426                                 |
| Releases of government capital grants   | 393                                 | 323                                 |
| <b>Total</b>  | <b>21,711</b>                       | <b>20,316</b>                       |

Grant income from the Office for Students for higher education is included in the table above. The College did not receive any other grant income nor received any fee income for taught awards, research awards or any non-qualifying course.

### 3 Tuition fees and education contracts

|                                    | Year ended 31<br>July<br>2022<br>£'000 | Year ended 31 July<br>2021<br>£'000 |
|------------------------------------|--|-------------------------------------|
| Adult education fees               | 214                                    | 179                                 |
| Apprenticeship fees and contracts  | 27                                     | 28                                  |
| Fees for FE loan supported courses | 325                                    | 362                                 |
| Fees for HE loan supported courses | 699                                    | 670                                 |
| International students fees        | -                                      | -                                   |
| Total tuition fees                 | <u>1,265</u>                           | <u>1,239</u>                        |
| Education contracts                | 1,193                                  | 1,243                               |
| <b>Total</b>                       | <u><u>2,458</u></u>                    | <u><u>2,482</u></u>                 |

### 3a Grant and fee income

|                                       | Year ended 31<br>July<br>2022<br>£'000 | Year ended 31 July<br>2021<br>£'000 |
|---------------------------------------|--|-------------------------------------|
| Grant income from the OfS             | 107                                    | 137                                 |
| Grant income from other bodies        | 21,604                                 | 20,179                              |
| Fee income for taught awards          | 699                                    | 670                                 |
| Fee income for research awards        | 0                                      | 0                                   |
| fee income for non-qualifying courses | 1,759                                  | 1,812                               |
| <b>Total</b>                          | <u><u>24,169</u></u>                   | <u><u>22,798</u></u>                |

### 4 Other grants and contracts

|                    | Year ended 31<br>July<br>2022<br>£'000 | Year ended 31 July<br>2021<br>£'000 |
|--------------------|--|-------------------------------------|
| Other grant income | <u>815</u>                             | <u>674</u>                          |
| <b>Total</b>       | <u><u>815</u></u>                      | <u><u>674</u></u>                   |

### 5 Other income

|                                    | Year ended 31 July<br>2022<br>£'000 | Year ended 31 July<br>2021<br>£'000 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Catering and residences            | 41                                  | 6                                   |
| Other income generating activities | 73                                  | 52                                  |
| Miscellaneous income               | 430                                 | 32                                  |
|                                    | <u>544</u>                          | <u>90</u>                           |

## 6 Investment income

|  | Year ended<br>31 July<br>2022<br>£'000 | Year ended<br>31 July<br>2021<br>£'000 |
|--|--|--|
| Other investment income                | 2                                      | 3                                      |
| Other interest receivable              | 6                                      | 11                                     |
|  | <u>8</u>                               | <u>14</u>                              |
| Net return on pension scheme (note 22) | -                                      | -                                      |
|  | <u><u>8</u></u>                        | <u><u>14</u></u>                       |

## 7 Staff costs

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

|                    | 2022<br>Headcount | 2021<br>Headcount |
|--------------------|-------------------|-------------------|
| Teaching staff     | 271               | 260               |
| Non teaching staff | 185               | 181               |
|                    | <u>456</u>        | <u>441</u>        |

|                    | 2022<br>FTE No. | 2021<br>FTE No. |
|--------------------|-----------------|-----------------|
| Teaching staff     | 238             | 224             |
| Non teaching staff | 149             | 143             |
|                    | <u>387</u>      | <u>367</u>      |

## 7 Staff costs cont'd

### Staff costs for the above persons

|   | 2022<br>£'000        | 2021<br>£'000        |
|---|----------------------|----------------------|
| Wages and salaries                            | 12,013               | 11,151               |
| Social security costs                         | 1,093                | 996                  |
| Other pension costs                           | 4,404                | 3,709                |
|   | <u>17,510</u>        | <u>15,856</u>        |
| Contracted out staffing services              | 454                  | 498                  |
|   | <u>17,964</u>        | <u>16,354</u>        |
| Fundamental restructuring costs - contractual | 60                   | 144                  |
| non contractual                               | -                    | -                    |
|   | <u><u>18,024</u></u> | <u><u>16,498</u></u> |

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Senior Executive Team which comprises the Principal, Deputy Principal, Vice Principal and Executive Director Finance and Estates.

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

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>No.</b>  | <b>No.</b>  |
| The number of key management personnel including the Accounting Officer was: | 5           | 5           |

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employers national insurance but including benefits in kind, in the following ranges was:

|                      | <b>Senior post-holders</b> |             | <b>Other staff</b> |             |
|----------------------|----------------------------|-------------|--------------------|-------------|
|                      | <b>2022</b>                | <b>2021</b> | <b>2022</b>        | <b>2021</b> |
|                      | <b>No.</b>                 | <b>No.</b>  | <b>No.</b>         | <b>No.</b>  |
| £15,001 to £20,000   | 1                          | -           | -                  | -           |
| £25,001 to £30,000   | -                          | 1           | -                  | -           |
| £30,001 to £35,000   | 1                          | -           | -                  | -           |
| £55,001 to £60,000   | -                          | -           | -                  | -           |
| £60,001 to £65,000   | -                          | 1           | -                  | -           |
| £70,001 to £75,000   | 1                          | -           | -                  | -           |
| £85,001 to £90,000   | 1                          | 2           | -                  | -           |
| £90,001 to £95,000   | -                          | -           | -                  | -           |
| £135,001 to £140,000 | -                          | 1           | -                  | -           |
| £140,001 to £145,000 | 1                          | -           | -                  | -           |
|                      | <b>5</b>                   | <b>5</b>    | -                  | -           |
|                      | <b>5</b>                   | <b>5</b>    | -                  | -           |

Key management personnel compensation is made up as follows:

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Salaries - gross of salary sacrifice and waived emoluments | 356          | 407          |
| Employers National Insurance                               | 46           | 52           |
| Benefits in kind   | -            | -            |
|  | <b>402</b>   | <b>459</b>   |
| Pension contributions                                      | 77           | 89           |
| <b>Total emoluments</b>                                    | <b>479</b>   | <b>548</b>   |

## 7 Staff costs Cont'd

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

|                           | <b>2022</b>       | <b>2021</b>       |
|---------------------------|-------------------|-------------------|
|                           | <b>£'000</b>      | <b>£'000</b>      |
| Salaries                  | 142               | 140               |
| Benefits in kind          | -                 | -                 |
|                           | <u>142</u>        | <u>140</u>        |
| Pension contributions     | 34                | 33                |
| <b>Total compensation</b> | <b><u>176</u></b> | <b><u>173</u></b> |

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

The remuneration package of key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who justify the remuneration on the following grounds:

- remuneration is benchmarked against similar roles in sector comparators, based on college type, college income, geographical location;
- individual performance;
- wider performance of the College, again benchmarked against sector comparators: Ofsted judgement, financial health, outcomes for learners (retention, achievement, value-added, high grades), stakeholder satisfaction;
- external factors such as economic factors, funding, competition, market rates;
- internal factors such as quality of teaching, learning and assessment, staff remuneration differentials.

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple

|   |              |              |
|---|--------------|--------------|
|   | <b>2,022</b> | <b>2,021</b> |
| Principal's basic salary as a multiple of the median of all staff     | 4.96         | 4.98         |
| Principal total remuneration as a multiple of the median of all staff | 5.16         | 5.18         |

### Compensation for loss of office paid to former key management personnel

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Compensation paid to the former post-holder                                  | -           | 32          |
| Estimated value of other benefits, including provisions for pension benefits | <u>-</u>    | <u>-</u>    |

The severance payment was approved by the College's Remuneration Committee.

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

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

## 8 Other operating expenses

|                    | Year ended<br>31 July<br>2022<br>£'000 | Year 31 July<br>ended<br>2021<br>£'000 |
|--------------------|--|--|
| Teaching costs     | 2,868                                  | 1,987                                  |
| Non teaching costs | 1,602                                  | 1,234                                  |
| Premises costs     | 1,939                                  | 1,764                                  |
| <b>Total</b>       | <b>6,409</b>                           | <b>4,985</b>                           |

### Other operating expenses include:

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Auditors' remuneration:                                       |               |               |
| Financial statements audit                                    | 25            | 18            |
| Internal audit  | 18            | 16            |
| Other services provided by the financial statements auditors* | 1             | 4             |
| Other services provided by the internal auditors**            | -             | -             |
| Losses on disposal of non current assets (where not material) | 336           | -             |
| Hire of assets under operating leases                         | 21            | 55            |

## 9 Interest payable

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| On bank loans, overdrafts and other loans:          | -             | -             |
| On finance leases                                   | -             | -             |
| Net interest on defined pension liability (note 25) | 320           | 279           |
| <b>Total</b>  | <b>320</b>    | <b>279</b>    |

## 10 Tangible fixed assets

|                                       | Land and buildings |                   | Equipment     | Assets Under<br>Construction | Total         |
|---------------------------------------|--------------------|-------------------|---------------|------------------------------|---------------|
|                                       | Freehold           | Long<br>leasehold |               |                              |               |
|                                       | £'000              | £'000             | £'000         | £'000                        | £'000         |
| <b>Cost or valuation</b>              |                    |                   |               |                              |               |
| At 1 August 2021                      | 45,768             | 1,646             | 17,423        | 8,905                        | 73,742        |
| Additions                             | 11,427             | -                 | 959           | (7,759)                      | 4,627         |
| Disposals                             | (1,508)            |                   | (3)           |                              | (1,511)       |
| <b>At 31 July 2022</b>                | <b>55,687</b>      | <b>1,646</b>      | <b>18,379</b> | <b>1,146</b>                 | <b>76,858</b> |
| <b>Depreciation</b>                   |                    |                   |               |                              |               |
| At 1 August 2021                      | 19,899             | 403               | 15,578        | -                            | 35,880        |
| Charge for the year                   | 1,250              | 42                | 860           | -                            | 2,153         |
| Elimination in respect of disposals   | (1,173)            |                   | (2)           |                              | (1,175)       |
| <b>At 31 July 2022</b>                | <b>19,976</b>      | <b>445</b>        | <b>16,436</b> | <b>-</b>                     | <b>36,858</b> |
| <b>Net book value at 31 July 2022</b> | <b>35,711</b>      | <b>1,201</b>      | <b>1,943</b>  | <b>1,146</b>                 | <b>40,001</b> |
| Net book value at 31 July 2021        | 25,869             | 1,243             | 1,845         | 8,905                        | 37,862        |

## 10 Tangible fixed assets Cont'd

Land & Buildings were valued at incorporation at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis using the Price Waterhouse May 1992 Survey as the baseline.

The College does not have a policy for revaluation.

Land and buildings with a net book value of £8.5m have been partly financed from exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Education and Skills Funding Agency, to surrender the proceeds.

## 11 Non-current Investments

The College owns 100 per cent of the issued ordinary £1 shares of Tameside Energy Supply Limited, a company incorporated in England and Wales. The company did not trade during the year ended 31 July 2021. The College also owns 100 per cent of the issued ordinary £1 shares of Tameside College Services Ltd, a company incorporated in England and Wales. This company has not traded since its incorporation in June 1993.

## 12 Trade and other receivables

|                                      | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------|---------------|---------------|
| Amounts falling due within one year: |               |               |
| Trade receivables                    | 87            | 192           |
| Prepayments and accrued income       | 713           | 613           |
| Amounts owed by the ESFA             | 320           | 392           |
| <b>Total</b>                         | <b>1,120</b>  | <b>1,197</b>  |

## 13 Creditors: amounts falling due within one year

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Bank loans and overdrafts                   | -             | -             |
| Obligations under finance leases            | -             | -             |
| Trade payables                              | 132           | 337           |
| Other taxation and social security          | 287           | 255           |
| Accruals and deferred income                | 1,640         | 2,202         |
| Deferred income - government capital grants | 552           | 400           |
| Deferred income - government revenue grants | -             | -             |
| Provision for Holiday pay accrual           | 786           | 722           |
| Amounts owed to the ESFA                    | 19            | 19            |
| Other Creditors                             | 1,926         | 1,418         |
| <b>Total</b>                                | <b>5,342</b>  | <b>5,353</b>  |

**14 Creditors: amounts falling due after one year**

|   | <b>2022</b>          | <b>2021</b>          |
|---|----------------------|----------------------|
|   | <b>£'000</b>         | <b>£'000</b>         |
| Bank loans                                  |                      | -                    |
| Obligations under finance leases T1 Rent    | 89                   | 63                   |
| Deferred income - government capital grants | 12,717               | 12,820               |
| <b>Total</b>                                | <b><u>12,806</u></b> | <b><u>12,883</u></b> |

**15 Maturity of debt****(a) Bank loans and overdrafts**

The College had no overdraft or bank loans during the year.

**(b) Finance leases**

The College had no finance leases during the year.

**16 Provisions**

|   | <b>Defined benefit obligations</b> | <b>Enhanced pensions</b> | <b>Total</b>      |
|---|------------------------------------|--------------------------|-------------------|
|   | <b>£'000</b>                       | <b>£'000</b>             | <b>£'000</b>      |
| At 1 August 2021                                | 18,766                             | 191                      | 18,957            |
| Expenditure in the period                       | 2,414                              | (12)                     | 2,402             |
| Transferred from income and expenditure account | (21,180)                           | (14)                     | (21,194)          |
| <b>At 31 July 2022</b>                          | <b><u>0</u></b>                    | <b><u>165</u></b>        | <b><u>165</u></b> |

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 22.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies

The principal assumptions for this calculation are:

|                 | <b>2022</b> | <b>2021</b> |
|-----------------|-------------|-------------|
| Price inflation | 2.75%       | 2.85%       |
| Discount rate   | 3.50%       | 1.60%       |

## 17 Cash and cash equivalents

|                           | <b>At 1<br/>August<br/>2021<br/>£'000</b> | <b>Cash<br/>flows<br/>£'000</b> | <b>Other<br/>changes<br/>£'000</b> | <b>At 31<br/>July<br/>2022<br/>£'000</b> |
|---------------------------|---|---------------------------------|------------------------------------|--|
| Cash and cash equivalents | 9,682                                     | (1,453)                         | -                                  | 8,229                                    |
| Overdrafts                | -   | -                               | -                                  | -  |
| <b>Total</b>              | <b><u>9,682</u></b>                       | <b><u>(1,453)</u></b>           | <b><u>-</u></b>                    | <b><u>8,229</u></b>                      |

## 18 Capital commitments

|                                       | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|---------------------------------------|-----------------------|-----------------------|
| Commitments contracted for at 31 July | <u>20</u>             | <u>2,357</u>          |

## 19 Lease Obligations

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

|   | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|---|-----------------------|-----------------------|
| <b>Future minimum lease payments due</b>          |                       |                       |
| <b>Land and buildings</b>                         |                       |                       |
| Not later than one year                           | -                     | -                     |
| Later than one year and not later than five years | -                     | -                     |
| later than five years                             | <u>840</u>            | <u>840</u>            |
|   | <u>840</u>            | <u>840</u>            |
| <b>Other</b>                                      |                       |                       |
| Not later than one year                           | 56                    | 56                    |
| Later than one year and not later than five years | 37                    | 21                    |
| Later than five years                             | <u>-</u>              | <u>-</u>              |
|   | <u>93</u>             | <u>77</u>             |
| <b>Total lease payments due</b>                   | <b><u>933</u></b>     | <b><u>917</u></b>     |

## 20 Contingent liabilities

In relation to VAT refund on camp street - Grant element of refund - hold for 7 years as per W&B. First disclosed in financial statements to July 2018 therefore last year will be July 2024.

In relation to recent case in Supreme Court, Harpur Trust v Brazel, the College has calculated a contingent liability of approximately £30,000 for a 3 year period to pay over additional Holiday entitlement to Part Year staff in order to meet the 5.6 weeks statutory entitlement.

The College had a possible contingent liability as at 31 July 2022 regarding a potential payment of £464,000 in relation to a capital build project (2020/21: £464,000).

## 21 Events after the reporting period

There are no issues arising after the balance sheet date which require disclosure.

## 22 Defined benefit obligations

| <b>Total pension cost for the year</b>                       | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|--|-----------------------|-----------------------|
| Teachers Pension Scheme: contributions paid                  | 1,366                 | 1,306                 |
| Local Government Pension Scheme:                             |                       |                       |
| Contributions paid   | 940                   | 859                   |
| FRS 102 (28) charge  | 2,097                 | 1,544                 |
| Charge to the Statement of Comprehensive Income              | 3,037                 | 2,403                 |
| Enhanced pension charge to Statement of Comprehensive Income | -                     | -                     |
| <b>Total Pension Cost for Year</b>                           | <b>4,403</b>          | <b>3,709</b>          |

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 and of the LGPS 31 March 2018.

Contributions amounting to £273,288 (2019/20: £149,074) were payable to the scheme at 31<sup>st</sup> July and are included within creditors.

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. 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.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

## 22 Defined benefit obligations cont'd

### Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2019 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Government Actuary's Department (the Department) on 5 March 2019. The key results of the valuation are:

- New employer contribution rates were set at 23.68% of pensionable pay (including administration fees of 0.08%);
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion;
- an employer cost cap of 10.9% of pensionable pay.
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The new employer contribution rate for the TPS was implemented in September 2019. DfE agreed to pay a teacher pension employer grant to cover the additional costs during the 2021-22 academic year. The next valuation of the TPS is currently underway based on April 2019 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

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 £1,847,000 (2020/21: £1,750,000).

### **FRS 102 (28)**

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.

### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Tameside Metropolitan Borough Council. The total contributions made for the year ended 31 July 2022 were £1,233,000 of which employer's contributions totalled £923,000 and employees' contributions totalled £310,000. The agreed contribution rates for future years are shown below for employers and range from 5.5% to 12.5% for employees, depending on salary.

#### LGPS Employer Contribution rates

1 April 2020 to March 2022 18.8%

1 April 2019 to March 2021 18.8%

## 22 Defined benefit obligations cont'd

### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2018 updated to 31 July 2021 by a qualified independent actuary.

|                                      | At 31 July<br>2022 | At 31 July<br>2021 |
|--------------------------------------|--------------------|--------------------|
| Rate of increase in salaries         | 3.50%              | 3.60%              |
| Future pensions increases            | 2.75%              | 2.85%              |
| Discount rate for scheme liabilities | 3.50%              | 1.60%              |
| Inflation assumption (CPI)           | 2.75%              | 2.85%              |

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

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

|                             | At 31 July<br>2022 | At 31 July<br>2021 |
|-----------------------------|--------------------|--------------------|
|                             | years              | years              |
| <i>Retiring today</i>       |                    |                    |
| Males                       | 20.30              | 20.50              |
| Females                     | 23.20              | 23.30              |
| <i>Retiring in 20 years</i> |                    |                    |
| Males                       | 21.60              | 21.90              |
| Females                     | 25.10              | 25.30              |

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

|   | Long-term<br>rate of<br>return<br>expected at<br>31 July 2022 | Fair Value<br>at 31 July<br>2022 | Long-term<br>rate of<br>return<br>expected at<br>31 July 2021 | Fair Value at<br>31 July 2021 |
|---|---|----------------------------------|---|-------------------------------|
|   |   | £'000                            |   | £'000                         |
| Equities  | 68.00%  | 36,307                           | 70.00%  | 36,449                        |
| Bonds   | 13.00%  | 6,941                            | 15.00%  | 7,811                         |
| Property  | 9.00%   | 4,805                            | 7.00%   | 3,645                         |
| Cash  | 10.00%  | 5,339                            | 8.00%   | 4,166                         |
| <b>Total market value of assets</b>                       |   | <b>53,392</b>                    |   | <b>52,071</b>                 |
| <b>Weighted average expected long term rate of return</b> | <b>0.98%</b>  |                                  | <b>15.42%</b>   |                               |
| <b>Actual return on plan assets</b>                       |   | <b>461</b>                       |   | <b>8,027</b>                  |

## 22 Defined benefit obligations cont'd

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

|   | <b>2022</b>  | <b>2021</b>     |
|---|--------------|-----------------|
|   | <b>£'000</b> | <b>£'000</b>    |
| Fair value of plan assets                       | 53,392       | 52,070          |
| Present value of plan liabilities               | (53,392)     | (70,836)        |
| Present value of unfunded liabilities           | -            | -               |
| <b>Net pensions (liability)/asset (Note 19)</b> | <b>-</b>     | <b>(18,766)</b> |

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

|   | <b>2022</b>   | <b>2021</b>  |
|---|---------------|--------------|
|   | <b>£'000</b>  | <b>£'000</b> |
| <b>Amounts included in staff costs</b>                                  |               |              |
| Current service cost  | 3,020         | 2,402        |
| Past service cost   | -             | -            |
| <b>Total</b>  | <b>3,020</b>  | <b>2,402</b> |
| <b>Amounts included in investment income</b>                            |               |              |
| Net interest income   | (317)         | (276)        |
|   | <b>(317)</b>  | <b>(276)</b> |
| <b>Amounts recognised in Other Comprehensive Income</b>                 |               |              |
| Return on pension plan assets   | 461           | 8,027        |
| Experience losses arising on defined benefit obligations                | (147)         | 876          |
| Changes in assumptions underlying the present value of plan liabilities | 26,984        | (6,927)      |
| Net Asset Adjustment  | (6,118)       | -            |
| <b>Amount recognised in Other Comprehensive Income</b>                  | <b>21,180</b> | <b>1,976</b> |

## 22 Defined benefit obligations cont'd

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

|   | <b>2022</b>  | <b>2021</b>     |
|---|--------------|-----------------|
|   | <b>£'000</b> | <b>£'000</b>    |
| Surplus/(deficit) in scheme at 1 August                 | (18,766)     | (18,922)        |
| Movement in year:                                       |              |                 |
| Current service cost                                    | (3,020)      | (2,402)         |
| Employer contributions                                  | 923          | 858             |
| Past service cost                                       | -            | -               |
| Net interest on the defined (liability)/asset           | (317)        | (276)           |
| Actuarial gain or loss                                  | 27,298       | 1,976           |
| Net Asset Adjustment                                    | (6,118)      | -               |
| <b>Net defined benefit (liability)/asset at 31 July</b> | <b>-</b>     | <b>(18,766)</b> |

### Asset and Liability Reconciliation

|  | <b>2022</b>   | <b>2021</b>   |
|--|---------------|---------------|
|  | <b>£'000</b>  | <b>£'000</b>  |
| <b>Changes in the present value of defined benefit obligations</b> |               |               |
| <b>Defined benefit obligations at start of period</b>              | 70,836        | 62,272        |
| Current Service cost   | 3,020         | 2,402         |
| Interest cost  | 1,150         | 883           |
| Contributions by Scheme participants                               | 310           | 286           |
| Experience gains and losses on defined benefit obligations         | 147           | (876)         |
| Changes in financial assumptions                                   | (26,984)      | 6,927         |
| Estimated benefits paid  | (1,205)       | (1,058)       |
| Past Service cost  | -             | -             |
| Curtailments and settlements                                       | -             | -             |
| Net Asset Adjustment   | 6,118         | -             |
| <b>Defined benefit obligations at end of period</b>                | <b>53,392</b> | <b>70,836</b> |

### Reconciliation of Assets

|   |               |               |
|---|---------------|---------------|
| <b>Fair value of plan assets at start of period</b> | 52,070        | 43,350        |
| Interest on plan assets                             | 833           | 607           |
| Return on plan assets                               | 461           | 8,027         |
| Employer contributions                              | 923           | 858           |
| Contributions by Scheme participants                | 310           | 286           |
| Estimated benefits paid                             | (1,205)       | (1,058)       |
| <b>Fair value of plan assets at end of period</b>   | <b>53,392</b> | <b>52,070</b> |

## 23 Related party transactions

### Related Party Transactions

Due to the nature of the College's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors 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 (2020/21: £nil).

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2020/21: None).

#### *Droylsden Academy*

Droylsden Academy is an academy school. Mr Leon Dowd is Trustee and Chair of Governors at Droylsden Academy. Mrs Jackie Moores is a Trustee and Governor of Droylsden Academy. Mr John Lyne is a Trustee and Governor of Droylsden Academy.

During the year Tameside College supplied Droylsden Academy with Education services totalling £0 (2020/21: £750) and catering services totalling £228 (2020/21: £0).

#### *Quest Media Network*

Tameside College advertise public events such as Open Days in a local paper owned by Quest Media Network. Mr Chris Bird is a Director at Quest Media Network.

During the year Tameside College bought advertising services with Quest Media Network totalling £4,242 (2020/21 £2,820).

#### *Active Tameside (Tameside Sports Trust)*

Active Tameside deliver a wide range of leisure facility and community-based services that generate participation in physical activity and sport, to improve health and wellbeing, predominantly in the Tameside area but also with our partners across Greater Manchester. Mr Chris Rushton is the Chief Executive Officer.

During the year Tameside College supplied Tameside Sports Trust with Education services totalling £0 (2020/21: £1,299). During the year Tameside College paid Tameside Sports Trust £340 (2020/21: £90) in relation to the hire of leisure facilities.

#### *Bromleys Solicitors LLP*

Bromleys Solicitors LLP is a local law firm. Rachael Frankland is an Associate Solicitor at Bromleys Solicitors LLP.

During the Year the College has paid Bromleys Solicitors LLP £3,750 (2020/20 £7,476) relating to legal services.

#### *Tameside and Glossop Integrated Care NHS Foundation Trust*

Tameside and Glossop Integrated Care NHS Foundation Trust is a division of the National Health Service for Tameside and Glossop. Karen James is the CEO.

During the Year, the College has supplied Educational Services to two students funded by the Trust to the value of £1,390 (2021/22 £0).

## 24 Amounts disbursed as agent

### Learner support funds

|   | <b>2022</b>       | <b>2021</b>       |
|---|-------------------|-------------------|
|   | <b>£'000</b>      | <b>£'000</b>      |
| Balance Brought Forward                                     | 668               | 341               |
| Funding body grants - bursary support                       | 917               | 807               |
|   | <u>1585</u>       | <u>1148</u>       |
| Disbursed to students                                       | (595)             | (454)             |
| Administration costs  | (46)              | (26)              |
| <b>Balance unspent as at 31 July, included in creditors</b> | <b><u>944</u></b> | <b><u>668</u></b> |

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

## 25 Financial Instruments

|                        | <b>2022</b>  | <b>2021</b>  |
|------------------------|--------------|--------------|
|                        | <b>£'000</b> | <b>£'000</b> |
| Short term investments | -            | -            |
| Trade debtors          | 87           | 192          |
|                        | <u>87</u>    | <u>192</u>   |

### Financial Liabilities

|                         |              |              |
|-------------------------|--------------|--------------|
| Trade payables          | 132          | 337          |
| Tax and Social Security | 287          | 255          |
| Other creditors         | 1,926        | 1,418        |
| Accruals                | 1,908        | 1,266        |
|                         | <u>4,253</u> | <u>3,276</u> |