



SHIPLEY COLLEGE

Annual Report and Financial Statements
Year ended 31 July 2023

Key Management Personnel, The Corporation and Professional Advisers

Key management personnel

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

Diana Bird Principal and CEO: Accounting officer
Lorraine Swift Vice Principal Finance and Planning
Greg O'Shea Vice Principal Curriculum

Nav Chohan retired as Principal and CEO 31 August 2022 and was replaced by Diana Bird.

Greg O'Shea was appointed Vice Principal Curriculum from 1 September 2022, replacing Diana Bird

The Corporation

A full list of Governors making up the Corporation body is given on page 16 to 18 of these financial statements.

Mr Jeremy Stott acted as Clerk to the Corporation until 31 August 2022 and was replaced by Mrs Danielle Carter on 1 September 2022.

The Principal, two Vice Principals and Clerk to the Corporation are designated as Senior Post holders.

Professional advisers

BANKERS:

Lloyds PLC
67 Park Row
Leeds
LS1 1NX

SOLICITORS:

Rolitts
Citadel House
58 High Street
Hull
HU1 1QE

FINANCIAL STATEMENTS & REGULARITY AUDITORS :

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

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STRATEGIC REPORT

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2023.

LEGAL STATUS

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

MISSION

“To provide the highest quality, inspirational education and training that meets and exceeds the ambitions of individuals, businesses and communities.”

CORE VALUES

Inspirational Culture of Collaboration and Partnership: A supportive team working closely with our stakeholders in a spirit of trust and integrity

Aspiration, Professionalism and Achievement: Striving for excellence in a safe, sustainable environment, while supporting all students to achieve their personal best and to progress to their next steps in work and life

Responsiveness: Meeting the needs and exceeding the expectations of students and employers, both locally and regionally, responding to government initiatives and our local community

Equality and Respect: Celebrating the diversity and inclusion of our students and staff

PUBLIC BENEFIT

Shipley College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Corporation, who are trustees of the charity, are disclosed on pages 16 to 18.

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

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Meeting the needs of employers, industry and commerce
- Aligning our provision with Local Enterprise Partnerships (LEPs)

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In delivering its mission, the College provided identifiable public benefits through the advancement of education to 2,152 adult students and 777 16-18 year olds including at least 148 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The College adjusts its courses to meet the needs of local employers and provides training to 290 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.

IMPLEMENTATION OF THE STRATEGIC PLAN

The College is working under a new Strategic Plan for the period to 2021 – 2024 approved by the Governors in December 2021. The Overriding Principles are:

1. Health and Wellbeing support for staff and students
2. The Corporation will be a Listening Board
3. Inspirational Teaching and Learning
4. Committed to Equality, Diversity and Inclusion
5. Providing additionality and active citizenship
6. Maintain financial stability with commitment to the United Nations Sustainable Development goals.

The plan identifies 4 strategic challenges:

1. Develop our market presence
2. Evolve teaching and learning practice to support new qualifications
3. Increase our number of substantial work placements
4. Respond to the Skills and Post 16 Education Bill to meet local, regional and national skills priorities

The plan is supported by Strategic Goals which are monitored by a number of performance indicators detailed as detailed below.

Progress on the Strategic Plan is reviewed annually with operational plans prepared for each academic year concerning new developments, quality improvement, finance, human resources and employer responsiveness.

The Corporation monitors the performance of the College against these plans which are reviewed and updated each year. The College recognises it operates in a very competitive and challenging environment and will maintain a vigorous response to these challenges. It recognises the national priority placed on collaborative activity with other agencies, community groups and employers to support national priorities. The College will continue to take a leading role in 14-19 developments in the district and proactively engage with employers to ensure responsiveness to business needs. The College will also continue to work with others to widen participation, raise achievement and contribute to West Yorkshire Combined Authority regeneration and district – wide initiatives.

The College is working with the Council and local stakeholders to deliver a range of provision to support economic growth in the Bradford District.

PERFORMANCE INDICATORS

The College's Strategic Drivers are underpinned by 4 Strategic goals each of which have a number of Key Performance Indicators.

Strategic Goal 1: To ensure student achievement and attainment rates are in the top 10% for education performance by 2024. This includes measures for all funded provision including

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16-18 achievement, 19+ achievement, apprenticeship achievement and achievement of learners with High Needs, and progress measures for English, maths and Value Added at Level 3.

Strategic Goal 2: To meet local, regional and national skills priorities through an innovative and highly responsive curriculum offer. This includes measures for recruitment numbers for 16-18s, learners with High Needs, T levels, apprentices, 19+ learners studying at Level 3, and at Level 4 and above.

Strategic Goal 3: To ensure an exceptional student experience leading to fulfilling lives and high value careers. Measures are set around student destinations, attendance, take up of work placement opportunities and participation in enrichment activities such as the Duke of Edinburgh scheme and the John Muirs award.

Strategic Goal 4: To retain financial stability to invest in inspiring education and learning resources. Financial measures around EBITDA and turnover are addressed in more detail in the next section. The College has measures relating to improvements to the estate and digital infrastructure and uses the Sustainable Development Scorecard to measure progress towards our sustainable development goals.

The Principal reports to the Corporation on progress in relation to these indicators. Retention and achievement performance is reported at every Corporation meeting. Other indicators are presented as appropriate.

The College is committed to observing the importance of sector measures and indicators.

In 21/22 the College had the highest achievement rates of the West Yorkshire colleges for 16-18 year olds. 22/23 data is not yet published.

Achievement rates for 22/23 are 84.3%, 3.6% above National Average for 16-18; 80.7%, 5.5% below National Average for 19+; and 66.9%, 13.5% above National Average for apprentices.

In February 2020 the College received a Short Inspection from Ofsted which judged the College as 'Good'. The College received a Full Inspection in October and is awaiting the formal outcome.

In June 2023 the College successfully reapplied for the Matrix standard.

FINANCIAL OBJECTIVES

The College has a detailed finance strategy and plan incorporated into College plans, risk register and Governors reports which are reviewed by the Governors three times a year. The systems and processes in place to support the achievement of the strategic objectives are part of the Finance Service standards. These systems include a regular reporting cycle to the Corporation and all levels of management, with defined timescales and responsibilities, and identification of the need for appropriate resources to achieve the plan as well as highlighting potential risks.

In addition to supporting the Strategic Plan of the College the Corporation has 3 financial objectives:

- To maintain good financial management and reporting which records the achievement of the agreed quantitative performance indicators
- To maintain good financial management systems which maintains the confidence of funding bodies, suppliers and professional advisers
- To manage non pay expenditure but maintain a high standard of College accommodation and equipment

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The College's financial strategy includes a series of performance indicators which have been agreed to monitor the successful implementation of the policies. These are the College long term measures. In 2022/23 the Corporation set a deficit budget as part of its Strategic plan.

Key Performance Indicator	Measure/Target	Achievement in 2022/23
Financial Health Score	Good with a score of at least 190	190
Earnings before interest, tax, depreciation and amortisation (EBITDA)	EBITDA above 4% of income Pay increase is implemented Adjusted operating surplus of at least 2% of income Turnover of over £11m	EBITDA = 1.03% 2.5% or minimum of £750 increase per FTE paid from 01/01/2023 (0.76%) £11m
Cash flow	Increase in cash reserves whilst generating sufficient surplus to fund its investment in capital Cash days in hand over 25 Adjusted current ratio over 1.4 No bank loans	Cash increase of £134k including cash on deposit 96 days 1.74 Nil
Staff costs	Staff cost of < 70% of income increase	72.82%

FINANCIAL POSITION

Financial Results for the Year

The College incurred an operating deficit of £81k, before the cost of the Defined Benefit Scheme adjustments. The effect of these adjustments are detailed below:

	2022/23		2021/22	
	£'000	£'000	£'000	£'000
Operating surplus/(deficit) before pension reserve adjustments		(81)		188
Pension adjustments:				
Pension cost – note 6	296		998	
Pension Finance cost – note 9	77	(373)	185	(1,183)
Deficit for the year – Page 35		(454)		(995)

Following a reduction in 16-18 numbers in 2021/22 and resulting impact on 16-18 income in

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2022/23, the College agreed a deficit budget for the year. Although some of the financial targets were not met and this increases the staff cost ratio it was considered affordable based on the operating surplus in 2021/22 and still generated cash in year.

The College incurred a deficit before other gains and losses in the year of £454k (2021/22 £995k), with a total comprehensive surplus of £2,328k (2021/22 surplus of £8,795k). This follows a decrease in the deficit on the pension provision as set out in note 21.

The main sources of income upon which the College depends, in addition to the funds provided by the funding bodies which represents 87% of income, are Other grant funded schemes and Fee income and Advanced Learner loans. These additional sources represent 13% (2021/22 15%) of total operating income. The College continues to seek opportunities to increase additional non funding body income in future years with full cost work as well as maximising opportunities arising from the Apprenticeship Levy and project funding streams.

The College has two subsidiary companies Shipley College Developments Limited and Shipley College Services Limited. The principal activity of Shipley College Developments Limited was acting as a Design and Build agent which handled the building of the College's new Jonathan Silver Building. Shipley College Services Limited is a dormant company with no trading since incorporation and application was made to Companies House for this company to be dissolved which was approved on 24 October 2023. Shipley College Developments Limited is currently a dormant company but is expected to become active during 2023/24 to design and build the planned new build.

Consolidated accounts have not been prepared for the year to 31 July 2023 as both companies are dormant and the assets and liabilities are immaterial.

Treasury policies and objectives

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

The College has a treasury management policy in place as part of the annexes to the Financial Regulations. This is reviewed by the Finance and Resources Committee on behalf of the Corporation.

Financial regulations relating to Short term borrowing for temporary revenue purposes and all other borrowing has been updated to reflect the change in legal status for the College from 29 November 2022 which requires Department of Education approval.

Reserves Policy

The College currently has no formal Reserves Policy but recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. The College targets a positive net current asset position.

The College has a long term target EBITDA of 4% of income and generation of a net cash surplus to allow investment in the College infrastructure.

The College currently holds no restricted reserves.

Cash flows and liquidity

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The College had cash reserves, including cash on deposit at the year end of £2,853k (2021/22 £2,719k) achieving the College target to generate an increase in cash reserves. The College has no loans at the current time or in the previous year.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

Numbers for 16-18 year olds were 777 versus a contract of 748 in 2022/23.

The devolved Adult Education Budget was achieved within the 3% tolerance in 22/23.

Early indications for 2023/24 suggest:

- Significant growth in 16-18 numbers of close to 20%
- Apprenticeship enrolments show a reduction from 22/23
- Achievement of the AEB contract is expected. Additional income generation is possible through FCFJ and Advanced Learner Loans

Student Achievement

Student achievement rates for Learner Responsive 16-18 are above the national average and for 19+ are slightly below the national average. Student achievement for apprenticeship provision is significantly above national average.

Curriculum Developments

The College plans to:

- provide a good, balanced range of choices in the context of the district's 14-19 Strategy, including introduction of the new post 16 'T Level' courses
- deliver courses that contribute towards meeting the skills' needs of the district
- make an active contribution to local regeneration through community based provision and support for local companies
- play an active role in a range of Leeds City Region Partnerships
- through effective coordination with Job Centre Plus, provide effective provision for the unemployed
- ensure the effectiveness of the College's contribution to the funding agencies and District targets in line with the national, regional and district priorities.

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 percent. During the accounting period 1 August 2022 to 31 July 23, the College paid 87.4 percent of its invoices within 30 days. A further 9.3 percent were paid within 30 days of resolution of a query or payment of an invoice received significantly after the invoice date. The College incurred no interest charges in respect of late payment for this period.

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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. The College had no current Trade Union representative since a resignation in 2020/21. The College has liaised with the Regional Union bodies during 2022/23 on a number of occasions.

Events after the end of the reporting period

There are no post balance sheet events which require reporting.

Future developments

The College is under Plan Led Funding and hence income for 2023/24 has been confirmed by the Education and Skills Funding Agency at £6,170k for the 16-19 allocation. In addition, the College has contracts from the Education and Skills Funding Agency and West Yorkshire Combined Authority totalling £1,840k for Adult Education which can be subject to clawback for underachievement.

The College has secured £5.39m from the Shipley Towns Fund allocation for a new Community, Heritage & Future Technology Centre to support the Colleges expansion with T Level courses, plus other community uses. The professional fees incurred in 2022/23 accounts have been included in assets under construction on the balance sheet as planning permission is close to conclusion. These fees have been fully grant funded by Bradford Council.

The building will consist of:

(i) Future Technology Centre: will focus on T-level qualifications, in particular multimedia, cyber-security, medical technology, rail engineering and robotics. The project would provide five additional College classrooms and include Registry and Reception services.

(ii) Heritage Hub: will include a tourist information point, and permanent and temporary exhibition space. The permanent space will host the Saltaire Collection, a collection of items that reflects all aspects of living in the village since its creation in the 1850s. There will also be a community classroom for groups of visiting school children and other groups.

This project will allow the College to reduce its leased spaces. Planned opening is September 2025.

Approval of a FE Capital Transformation Fund (FECTF) project will refurbish large elements of the College's 'Mill', 'Exhibition' and 'Salt' Buildings with some minor works at the Jonathan Silver Building. The project will ensure that circa 2,500m² of educational space plus key external building fabric elements will be improved from ESFA Grade B or C to Grade A. During 2022/23 £996k has been spent out of a total projected cost of £4.1m. Work is expected to be completed by Autumn 2024.

Going Concern

Based on the reduction in deficit on the pension valuation at 31 July 2023 the balance sheet shows a total net assets of £3,447k. The notional pension asset on valuation at 31 July 2023 of £1,631k has not been reflected in the accounts as detailed in note 21.

In addition, the long term liabilities include £3,508k of deferred capital grants which relates to income to be released as related assets are depreciated so will not affect the cash flow of the College.

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As set out on page 7, the College has incurred an operating deficit of £81k, before the cost of the Defined Benefit Scheme adjustments, funded by accumulated reserves.

The College has prepared 3 year financial forecasts and 2 year cash flow statements and has successfully secured new income sources in this period. Based on this, the Corporation is confident that the College will generate sufficient cash flows to meet its obligations as they fall due for payment. For this reason, it continues to adopt the going concern basis in preparing these financial statements.

The cashflows include the time lag between expenditure and receipt of the grant funding through the FECTF project. The Towns Fund grant is expected to be in advance of spend and will therefore not have a negative impact on the cashflow.

The FECTF project is fully grant funded and any overspend could be supported by additional allocations from this fund which have already been made to the College. The College contribution from its reserves to support the Towns Fund project is expected to be circa £500k less any VAT recovery as a result of professional advice.

RESOURCES

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

Tangible resources include the freehold of the Mill Building and Leasehold improvements on the Salt and Exhibition and Jonathan Silver Buildings within the Saltaire campus. The operating leases of the Salt and Exhibition Buildings and gardens (where the Jonathan Silver Building is now situated) have been extended for 150 years from 2021 to assist in securing resources for the College.

As noted under future developments there is significant enhancement of the estate planned in the next 2 to 3 years.

Financial

The College has £1,355k of net current assets, this is after £297k holiday pay accrual and £187k deferred income from Government capital grants in line with the requirements of FRS102. The holiday pay accrual will be released as part of the normal salary payment in August and the capital grant released to income over the next twelve months so these do not affect the cash flows of the College.

People

As at 31 July 2023 the College had 207 people in full time equivalent posts, of which 146 have direct teaching posts. This represents 323 members of staff, of which 234 have a direct teaching role. Average number of full time equivalent posts over the year was 211 as shown in note 6.

Reputation

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

PRINCIPAL RISKS AND UNCERTAINTIES:

The College has maintained its Risk Management arrangements throughout the year. The College has continued to develop and embed systems of internal control, including financial, operational and risk management, which are designed to protect the College's assets and reputation.

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As set out in the College's Risk Management arrangements, the Risk Management Group regularly reviews the risks to which the College is exposed. They identify 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 risk mitigation actions. In addition to the annual review, the Principal and the Risk Management Group also consider any risks which may arise as a result of a new areas of work being undertaken by the College.

The Risk Register is maintained at College level and is reviewed annually by the full Corporation and more frequently by Audit Committee and The Finance and Resources Committee. 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.

The Risk Register incorporates the Risk Management Plan which supports the principal risk factors. Other key items of College documentation, such as the Sector/Service improvement plans, embed awareness of risk into College processes.

Outlined below is a description of the principal risk factors that are covered in the College's Risk Management Plan. 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. In 2022/23, 87% 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 which may impact on future funding:

- The College, in conjunction with its key stakeholders, is developing a strategy for growth in response to the devolution of the Adult Skills Budget.
- Adults have continued to be slow in returning to learning after the pandemic.
- There is considerable competition for full time student numbers in the local area with the majority of secondary schools operating a sixth form. Bradford and Leeds demographics show a key issue will be shortage of spaces in the longer term. Three new free school applications have been approved in the district (Leeds, Keighley and Bradford) which will increase the number of post 16 places in the district. The College needs to maintain/improve recruitment in the medium term, in order to maintain the level of 16-18 income.

2. Failure to maintain the financial viability of the College

The College's current financial health grade is classified as "Good". Based on the 3 year forecasts Corporation believe the underlying health grade to be "Good". The College has a record of accurate financial planning. The budget set for 2023/24 is for small operating deficit position, with a nil EBITDA position. In 23/24 the College has increased its 16-18 numbers in line with other colleges in the district. This has increased costs of delivery which may not be funding until 2024/25. Accumulated reserves make this affordable including a planned pay increase of 2.5% to be increased utilising additional 16-18 funding, although the final figure and timing has not yet been agreed by the Corporation. Although this deficit will trigger a

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financial health grade of "Requires Improvement" the College plans to maintain a financial health grade of "Good" in the longer term.

Risks to the College's financial position are 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
- Exploring opportunities for project funding

3. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme on the College's balance sheet in line with the requirements of FRS 102. As reported on page 55 as part of note 21, the College has taken the decision not to recognise the pension fund assets quantified in the valuation at 31 July 2023. The College continues to make contributions as advised by the pension actuaries.

The increased pension costs for the Teachers Pension Scheme arising from an increase in employer pension contribution rates in September 2019, which are set at National level, are currently funded by the Education and Skills Funding Agency. The College continues to recognise that the termination of this funding is a key risk to maintaining the financial viability of the College.

STAKEHOLDER RELATIONSHIPS

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

- Students
- Staff
- the Education Skills Funding Agency
- the Local Authority
- the Department for Education
- Employers (with specific links)
- Employer Representative Bodies
- the local community
- other Further Education institutions
- Trade unions
- Local Enterprise Partnerships (LEPs)
- West Yorkshire Consortium of Colleges
- West Yorkshire Combined Authority and
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a variety of means.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

Equal Opportunities

The College respects and values the social and cultural diversity of its learners and employees by seeking to ensure that all have the opportunity to participate fully and achieve their potential irrespective of any of the following Equality Act 2010 'protected characteristics':

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- age,
- disability,
- gender reassignment,
- marriage and civil partnership,
- pregnancy and maternity,
- race,
- religion or belief,
- sex,
- sexual orientation.

In achieving this objective, Shipley College is committed to promoting the Public Sector Duty and has in the performance of its corporate responsibilities due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Equality Act 2010
- Advance Equality of Opportunity and foster good relations between people who share a protected characteristic and people who do not share it.

The College achieves the aims of the Public Sector Duty by:

- Providing a learning and work environment which is inclusive
- Ensuring all policies, procedures and the design and delivery of the College services are free from discrimination and are appropriately monitored to respond to the diverse needs of all learners, employees and the wider community.

The College considers all applications from disabled persons. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees. An Annual Report of key Equality and Diversity data is produced each year linked to an Equality and Diversity Plan which is updated each year and monitored by managers and governors.

The College is accredited as a Mindful Employer and a Disability Confident employer.

Disability Statement

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

a) All College adaptations and building works are undertaken in accordance with Part M (Access to and Use of Buildings) of the Building Regulations. The College's Jonathan Silver Building which was opened in September 2015, is designed to meet the needs of high needs learners and contains specialist areas and equipment.

b) The College has appointed a Head of Learning Support, who provides information, advice and arranges support where necessary for students with disabilities

c) There is a list of specialist equipment, such as a Deaf Call system and portable induction loops, which the College can make available for use by students and a range of assistive technology is available in the Learning Resource Centre.

d) The Admissions Policy for all students is described in the College Prospectus. Appeals against a decision not to offer a place are dealt with under the Compliments and Complaints Policy.

e) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of Learning Support Assistants who can provide a variety of support for learning. There is an ongoing

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programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities. Students are supported in a variety of ways as set out in the Additional Learning Support Policy.

f) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published.

g) Pastoral support and welfare services are described in the 'Student Handbook', which is issued to students at induction with instructions on how to access support.

DISCLOSURE OF INFORMATION TO AUDITORS

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

The report of the Members of the Corporation was approved by the members on 12 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'John Egan', with a horizontal line underneath.

John Egan, Chair of the Corporation
14 December 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the College to obtain a better understanding of its governance and legal structure.

This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

i.in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)

ii.in full accordance with the guidance to colleges from the Association of Colleges in the Code of Good Governance for English Colleges (“the Code”) -2015 and the 2023 update from January 2024.

In the opinion of the Governors, the College is working towards compliance with all the provisions of the Code. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 14 July 2015. The Corporation formally adopted the 2023 version of the code at its December 2023 meeting and plans to adhere to this from January 2024

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.

Governors serving on the College Board during 2022/23 and up to the date of signature of this report

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Attendance at Full Corporation	Committees served and attendance
Mr J Egan	November 2009 Reappointed Dec 2022	3 years		Member	2/3	Chair of the Corporation. Remuneration (3/3), Search (3/3), C&Q (3/3)
Ms Diana Bird	September 2022	N/a		Principal (Accounting Officer)	3/3	F&R (3/3) Search (3/3) C&Q (3/3)

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Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Attendance at Full Corporation	Committees served and attendance
Mr N S Chohan	July 2009	N/a	Resigned August 2022	Principal (Accounting Officer)	n/a	F&R (0/0) Search (0/0) C&Q (0/0)
Ms Ranjit Arora	Jan 2022	4 years		Member	2/3	C&Q (1/3)
Ms J Beaumont	Oct 2012 Reappointed Oct 2022	3 years		Member	2/3	C&Q (2/3) F&R (1/3) Remuneration (3/3) Chair of Search (3/3)
Mr D Butcher	Apr 2015 Reappointed April 2022	4 years		Member	3/3	Chair of F&R (3/3) Search (1/3) Remuneration (3/3)
Mr N Hainsworth	July 2007 Reappointed July 2023	3 years		Member	3/3	Chair: Audit (3/3)
Mr P Hunter	Dec 2016 Reappointed Dec 2023	3 years		Member	3/3	Chair: C&Q (1/3)
Mr M Hussain	Jan 2021 Reappointed Jan 2023	4 Year		Member	1/3	Audit (1/3)
Mr S Kundu	December 2023	1 year		Member	0/0	
Ms G Jeffrey	Jan 2021 Reappointed Jan 2023	4 Year		Member	1/3	F&R (2/3)
Ms C O'Connor	March 2020 Reappointed Dec 23 from March 2024	3 years		Member	3/3	C&Q (1/3)

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Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Attendance at Full Corporation	Committees served and attendance
Ms K Robinson	March 2020 Reappointed Dec 23 from March 2024	3 years		Member	3/3	C&Q (3/3) Audit (3/3) Search (3/3)
Ms W Rowan	Dec 2015 Reappointed Dec 2020	3 Years		Staff Member	3/3	F&R (2/3), C&Q (2/3)
Mrs S Tinsley	Apr 2021	4 Years		Member	3/3	C&Q (1/3)
Mr P Whittle	Apr 2021	4 Years		Member	2/3	Vice Chair of the Corporation F&R (2/3)
Ms Ami Firth	December 2022	1 year	Resigned July 2023	Student	1/2	-
Ms Edie Pilkington	December 2022	1 year	Resigned 2023	Student	0/2	-
Mr S Ratcliffe	December 2023	1 year		Student	0/0	
Ms A Faulkner	December 2023	1 year		Student	0/0	
Mr J Curtis	Jan 2021	3 Years	Resigned May 2023	Staff Member	0/2	C&Q (0/2) Audit (0/2)
Ms R Hoyland	July 2023	4 Years		Staff Member	1/1	C&Q (1/1)

Vacancies: up to 2 external members

Clerk to the Corporation:

Mr J Stott (Resigned August 2022)

Mrs D Carter (From 30 August 2022)

Non Corporation Members co-opted to serve on College committees during 2022/23

Name	Date of appointment	Term of office	Date of resignation	Committees served
Mr P Webley	Dec 2018 (Reappointed December 2022 meeting)	4 yrs	Resigned December 2023	Search (4/4)
	July 2019 Reappointed July 2022	4 yrs		Audit (3/3)
	July 2019 Reappointed July 2022	4 yrs		Chair: Remuneration (3/3)

The Governance Framework

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, Managing Public Money (MPM), quality matters and personnel related matters such as health and safety, equality and diversity and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the full Corporation. These committees are:

- Finance and Resources,
- Search
- Remuneration
- Curriculum and Quality; and
- Audit.

The Corporation, Finance and Resources, Audit and Curriculum & Quality Committees convene termly. The Search and Remuneration Committees are convened at least once a year.

Full approved minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College’s website at www.shipley.ac.uk or from the Clerk to the Corporation at:

Shipley College
Victoria Road
Shipley
BD18 3LQ

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 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 of the

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Corporation, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment and removal of the Clerk are matters for the Corporation as a whole.

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

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

There is a clear division of responsibility in that the roles of the Chair of the Corporation and Principal are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search Committee consisting of five members of the Corporation plus an independent external co-opted member, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding 4 years and shall not serve for more than 10 years subject to exceptional reasons.

Corporation performance

The College carried out an external review of Governance by Stone King during the period June to October 2021. An action plan was created from the recommendations from this review and the summary of recommendations can be viewed on the College website.

The Corporation has a self assessment process consisting of a questionnaire completed by Governors annually. The outcome of the 2022/23 process shows positive outcomes. A number of governors commented on these questions which will be considered by the Search Committee. Each committee also chose a theme to review internally in 2022/23 and the report was shared with the Corporation in December 2023.

Governors have a very good range of skills and are enthusiastic and committed in their support of the College. Their oversight of finance, curriculum, audit and IT is outstanding. Some governors have an educational background and training activities for all governors related to teaching & learning ensure continuous development of governors' understanding and skills in challenging learners' achievements and weaknesses in the quality of provision

During 2022/23 individual governor attendance at Corporation and Committee meetings was 80%, this was a decrease compared to 2021/22. It is below the sector average of 89%, but within the national range of 69% to 94%. Four members had a 100% attendance record at Corporation and Committee meetings.

There are 2 training events per year for Governors which include updates on Corporate Governance and key changes in the College. The Clerk attends regular external training events and utilises a number of update services.

Remuneration Committee

Throughout the year ended 31 July 2023, the College's Remuneration Committee comprises of three members of the Corporation plus an independent external co-opted member. The

SHIPLEY COLLEGE

Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post holders. The Chair of the Committee is the independent external co-opted member.

Details of remuneration for the year ended 31 July 2023 are set out in note 6 to the financial statements.

The Corporation has adopted the AoC's Senior Staff Remuneration Code. In accordance with the provisions of the Articles of Government the Corporation have determined that "senior post" means the post of Principal and Clerk to the Corporation and such other senior posts as the Corporation may decide from time to time i.e. the Vice Principal Finance & Planning and Vice Principal Curriculum. The Senior Post Holder Remuneration Policy pays due regard to the Association of Colleges' Senior Post Holder Remuneration Code. It provides a set of principles for setting Senior Post Holder pay and conditions and a procedure for making such decisions.

Audit Committee

The Audit Committee comprises up to five members of the Corporation (excluding the Principal, Chair of the Corporation and Members of the Finance & Resources Committee) plus one co-opted non-member of the Corporation, this latter member provides independence and experience to the committee. The committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

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

The College appoints specialist services to review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of assurance and report their findings to management and the Audit Committee. Management are responsible for the implementation of agreed recommendations and the Audit Committee undertakes periodic follow up reviews to ensure such recommendations have been implemented.

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

Finance & Resources Committee

The Finance & Resources Committee comprises 6 members of the Corporation (and excludes members of the Audit Committee). The committee operates in accordance with written terms of reference approved by the Corporation. Its main responsibilities are:

- To monitor the implementation of the College's Financial Strategy
- To recommend annual estimates of income and expenditure for approval by the Corporation
- To evaluate and advise the Corporation on major financial proposals and major capital projects
- To regularly monitor:
 - Updates to the 3 year financial forecasts of the College and cashflow forecasts
 - Management accounts and Year end Financial Statements
 - Regularity reports including managing public money statements as required
 - Key Performance Indicators

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Curriculum and Quality Committee

The Curriculum and Quality Committee comprises up to 10 members of the Corporation. The committee operates in accordance with written terms of reference approved by the Corporation. Its main responsibilities are:

- To consider and recommend to the Corporation the College's Annual Self-Assessment Report and advise the Corporation on the College's arrangements for monitoring the College Quality Improvement plan (QIP) arising from the report.
- To consider and recommend to the Corporation the College's Development Plan and advise the Corporation on the College's arrangements for monitoring the plan.
- To consider the Quality Policy and annual Quality Cycle including supporting data sources for the College and make recommendations to the Corporation on assessing quality and ensuring continuous improvement.
- To undertake an annual review of the educational character of the College and maintain an overview of the College's curriculum and programme developments, making recommendations to the Corporation, as appropriate.
- To monitor and review for presentation to the Corporation:
 - Student end of year achievement rates compared to relevant national averages.
 - Student achievement of aspirational target grades.
- To receive an annual report and recommend to the Corporation the College performance management, training and development process for observation of teaching, learning and assessment (OTLA).

Search Committee

The Corporation has a Search Committee consisting of four members of the Corporation plus an independent external co-opted member. The Committee operates in accordance with written terms of reference approved by the Corporation. Its main responsibilities are:

- Advising on the appointment of Members (other than as a Staff or Student Member) of the Corporation and such other matters relating to membership and appointments as the Corporation may remit to the Committee.
- Gathering, screening and shortlisting nominations in respect of vacancies on the Corporation.
- Considering and making recommendations to the Corporation on the composition and balance of the Corporation and its Committees.
- For advising the Corporation on the reappointment of members on the expiry of their term of office.

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 they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between the College and the funding bodies. They are 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 ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the College for the year ended 31 July 2023 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 year ended 31 July 2023 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

The College management and Governors assess the assurance provided by the internal controls against the College Risk Register together with the programme of 3rd party assurance agreed with the Audit Committee each year.

The College appointed an internal audit service for the year ended 31 July 2023 who carried out an audit of the Budgetary controls resulting in one routine recommendation. Work on cyber security was completed in September 23 and resulted in five recommendations with the two urgent ones being acted on by the College immediately.

The Committee was provided with regular reports on this assurance activity in the College which included a follow up on the previous recommendations. The Corporation has identified its key risks as detailed in the Strategic Report. No significant internal control weaknesses failures have arisen.

Responsibilities under funding agreements

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

Statement from the Audit Committee

The Audit Committee has advised the board of governors that the Corporation has an effective framework for governance and risk management in place. The committee believes that the Corporation has effective internal controls in place. The specific areas of work undertaken by the Audit Committee in 2022/23 and up to the date of approval of the financial statements covered the areas of governance, risk management and internal control, which provided assurance against the strategic risks identified.

Review of effectiveness

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

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

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

The Accounting Officer and Senior Leadership Team receive 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. The Principal and Senior Leadership Team and Audit Committee also receive regular reports from internal audit assurance providers, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Accounting Officer and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023.

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

Going Concern


The Corporation has reviewed the College strategic priorities, 3 year financial forecasts and cash flow statements and the risk register. Based on these, the Corporation is confident that the College will generate sufficient cash flows to meet its obligations as they fall due for payment. For this reason, it continues to adopt the going concern basis in preparing these financial statements.

SHIPLEY COLLEGE

Approved by order of the members of the Corporation on 12 December 2023 and signed on its behalf by:



John Egan
Chair of the Corporation
14 December 2023



Diana Bird
Principal, CEO & Accounting Officer

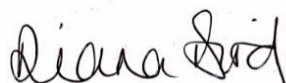
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

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



Diana Bird
Principal, CEO & Accounting Officer
14 December 2023

Statement of the chair of governors

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



John Egan
Chair of the Corporation
14 December 2023

STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION FOR THE FINANCIAL STATEMENTS

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

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 Strategic 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 College.

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

SHIPLEY COLLEGE

Approved by order of the Members of the Corporation on 12 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read "John Egan". The signature is written in a cursive style with a prominent loop at the end of the last name.

John Egan
Chair of the Corporation
14 December 2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CORPORATION OF SHIPLEY COLLEGE

Opinion

We have audited the financial statements of Shipley College (the 'College') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

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

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

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

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with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 where the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on pages 27-28, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Based on our understanding of the College and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the ESFA funding agreements, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, HM Treasury's "Managing public money".

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To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension regulation.

In addition, we evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion) and significant or one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

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 OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated.

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Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Mazars LLP (Dec 18, 2023 18:45 GMT)

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor, 3 Wellington Place,
Leeds
LS1 4AP
Date Dec 18, 2023



REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF SHIPLEY COLLEGE AND SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY ("ESFA")

In accordance with the terms of our engagement letter dated 24 October 2023 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Shipley College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes intended 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 ESFA and in any relevant conditions of funding, concerning adult education notified by a relevant funder.

This report is made solely to the corporation of Shipley College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Shipley College and 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 Shipley College and ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Shipley College and the reporting accountant

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

Approach

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

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.

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the ESFA/funding agreement with the ESFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with the requirements of HM Treasury's "Managing Public Money" document.

Conclusion

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

Signed:

Mazars LLP
Mazars LLP (Dec 18, 2023 18:45 GMT)

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor, 3 Wellington Place,
Leeds
LS1 4AP

Date: Dec 18, 2023

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
INCOME			
Funding body grants	2	9,697	9,412
Tuition Fees and Education contracts	3	438	503
Other grants and contracts	4	669	802
Other income	5	379	324
Total income		11,183	11,041
Expenditure			
Staff costs	6	8,292	8,735
Other operating expenses	8	2,810	2,851
Depreciation	11	287	265
Loss on disposal of Fixed assets	11	171	-
Interest and Other Finance Costs	9	77	185
Total expenditure		11,637	12,036
Deficit before tax		(454)	(995)
Taxation	10	-	-
Deficit for the year		(454)	(995)
Actuarial gain in respect of pension schemes	21	2,782	9,790
Total Comprehensive surplus for the year		2,328	8,795

The notes on pages 39-59 form part of these financial statements

STATEMENT OF CHANGES IN RESERVES

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 31 July 2021	(7,782)	106	(7,676)
Deficit for the year	(995)	-	(995)
Other comprehensive income	9,790	-	9,790
Total comprehensive surplus for the year	8,795	-	8,795
Transfers between revaluation and income and expenditure reserves	4	(4)	-
Balance at 31 July 2022	1,017	102	1,119
Deficit for the year	(454)	-	(454)
Other comprehensive income	2,782	-	2,782
Total comprehensive surplus for the year	2,328	-	2,328
Transfers between revaluation and income and expenditure reserves	4	(4)	-
Balance at 31 July 2023	3,349	98	3,447

The notes on pages 39-59 form part of these financial statements.

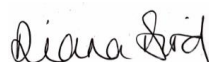
BALANCE SHEET 31 JULY 2023

	Note	2023	2022
		£'000	£'000
NON CURRENT ASSETS			
Tangible Fixed Assets	11	5,757	4,956
Investments	12	1	1
		<u>5,758</u>	<u>4,957</u>
CURRENT ASSETS			
Trade and other receivables	13	1,476	615
Cash and cash equivalents	14	1,453	2,719
Short term cash investment	15	1,400	-
Total current assets		<u>4,329</u>	<u>3,334</u>
Creditors: amounts falling due within one year	16	(2,974)	(1,883)
Net current assets		<u>1,355</u>	<u>1,451</u>
Total assets less current liabilities		<u>7,113</u>	<u>6,408</u>
Creditors: amounts falling due after more than one year	17	(3,508)	(2,722)
Provisions			
Defined benefit obligations	21	-	(2,362)
Other Provisions	18	(158)	(205)
TOTAL NET ASSETS		<u>3,447</u>	<u>1,119</u>
UNRESTRICTED RESERVES			
Income and expenditure account	21	3,349	1,017
Revaluation reserve		98	102
TOTAL UNRESTRICTED RESERVES		<u>3,447</u>	<u>1,119</u>

These financial statements on pages 39-59 were approved and authorised for issue by the Corporation on 12 December 2023 and were signed on its behalf by:



John Egan
Chair of the Corporation
14 December 2023



Diana Bird
Principal, CEO & Accounting Officer

STATEMENT OF CASH FLOWS
YEAR ENDED 31 JULY 2023

	Notes	2023	2022
		£'000	£'000
Cash flow from operating activities			
Deficit for the year		(454)	(995)
Adjustment for non cash items			
Depreciation		287	265
Disposal of grant funded assets		158	-
Loss on disposal of fixed assets		12	-
Deferred capital grants released to income		(253)	(87)
Defined benefit pension scheme cost less contributions payable		311	1,015
(Increase)/Decrease in debtors		(861)	43
Increase in creditors		977	159
Adjustment for investing and financing activities			
Pension finance cost		77	185
Net cash inflow from operating activities		<u>254</u>	<u>585</u>
Cash flow from investing activities			
Capital Grants received		1,138	5
Payments made to acquire fixed assets		(1,258)	(108)
Short term cash investment		(1,400)	-
Net cash outflow from investing activities		<u>(1,520)</u>	<u>(103)</u>
(Decrease)/Increase in cash and cash equivalents in the year		(1,266)	482
Cash and cash equivalents at beginning of the year	14	2,719	2,237
Cash and cash equivalents at end of the year	14	<u>1,453</u>	<u>2,719</u>

The notes on pages 39 to 59 form part of these financial statements.

1. ACCOUNTING POLICIES

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 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 as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The College's financial statements do not consolidate the results of Shipley College Services Limited or Shipley College Developments Limited on the grounds that the subsidiaries undertakings are dormant or not considered material to the financial statements.

Going Concern

The activities of the College, together with the factors likely to affect its future developments and performance are set out in the Strategic Report. The financial position of the College, and its cash flow are described in the Financial Statements and accompanying notes. The College has no loans or long term liabilities which could crystallise in the next 12 months.

The balance sheet shows a total net assets of £3,447k, including the pension liabilities.

The net current assets position has improved since last year and there is sufficient cash to support operations and capital projects. The College forecasts and financial projections indicate that it will be able to operate within its cash reserves.

Accordingly, the Corporation has a reasonable expectation that the College will generate sufficient cash flows to meet its obligations as they fall due for payment. For this reason, it continues to adopt the going concern basis in preparing these 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 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

1. ACCOUNTING POLICIES (CONTINUED)

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.

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 model as permitted by FRS102. Other, non government 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 certain discretionary support 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. These transactions are shown separately in note 23, except for 5% of the grant which is available to the College to cover administration costs relating to the grant.

The College acts as a managing agent for The Salt Foundation to run the Victoria Hall in Saltaire on their behalf. Related payments received from their clients and payment to staff and suppliers are excluded from the income and expenditure of the College. The College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction. These transactions are shown separately in note 23, except for charge the College makes for providing this service.

Accounting for Post retirement benefits

Retirement benefits for employees of the College are provided by the Teachers' Pension Scheme (TPS) and the West Yorkshire Pension Fund (WYPF). These are defined benefit schemes which are externally funded and contracted out of the State Second Pension.

- **Teachers Pension Scheme (TPS)**

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

As stated in Note 21, the TPS is a multi employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions

1. ACCOUNTING POLICIES (CONTINUED)

recognised as an expense in the income statement in the periods during which services are rendered by employees.

- **West Yorkshire Pension Scheme (WYPF)**

The WYPF is a funded scheme and the assets are held separately from those of the College in separate trustee administered funds. The WYPF 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 the operating surplus are the current service costs, past service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

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

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

Short term Employment benefits

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

Enhanced pensions

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

Non Current Assets - Tangible fixed assets

Tangible fixed assets are stated at deemed 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 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Freehold Land and buildings

Land and Buildings inherited from the Local Education Authority are stated in the balance sheet at valuation, the associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of the assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account on an annual basis. Building improvements made since the valuation are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated over the expected useful economic life to the College of 50 years.

1. ACCOUNTING POLICIES (CONTINUED)

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

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

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

Leasehold property Improvements

The value of the buildings inherited from the Local Education Authority has since been removed from the balance sheet.

Building improvements made to existing buildings held under operating leases are included in the balance sheet at cost and depreciated over the expected useful economic life to the College of 50 years or period of the lease if shorter than 50 years.

Subsequent expenditure on existing fixed assets

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

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

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.

Equipment

Equipment is defined as any item (including furniture and sets of inter-dependent items) purchased or hired by the College which has an expected useful lifespan of at least one year. Equipment costing more than £500 and all computer workstations are capitalised at cost in the period of acquisition and depreciated over 5 years on a straight line basis.

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 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 to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term.

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

1. ACCOUNTING POLICIES (CONTINUED)

Maintenance of Premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore 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 the categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so it can only recover a minor element of the VAT charged on its inputs, in 2022/23 this was 8.79% (2021/22 6.07%). 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.

Provisions and contingent liabilities

Provisions are recognised if:

- 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.

Financial liabilities

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

All Financial liabilities held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost.

1. ACCOUNTING POLICIES (CONTINUED)

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. Cash investments with a maturity of more than 3 months are shown in the balance sheet as short term investments.

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 College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Management considered the treatment of professional fees relating to construction of a new build. Although planning permission is not yet in place the probability of it being approved is such that the fees are treated as a fixed asset under construction.
- As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102

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.

- West Yorkshire Pension Scheme

The present value of the West Yorkshire Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

SHIPLEY COLLEGE

Notes to the Accounts for the Year Ended 31 July 2023

1. ACCOUNTING POLICIES (CONTINUED)

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). There has also been court action regarding age discrimination in the fire service with regard to pension benefits. The impact on the LGPS, and the financial impact has been reflected in the FRS102 LGPS positions for the since the 2018/19 accounts. The 2021/22 and 2022/23 valuations include a prospective allowance for McCloud liabilities of 1.07% of Pensionable Pay over the accounting period.

2. FUNDING BODY GRANTS

	2023	2022
	£'000	£'000
Funding body recurrent grant:		
Education and Skills Funding Agency 16-18	5,761	5,684
Education and Skills Funding Agency Adults	2,179	1,953
Release of government capital grants	252	86
Education and Skills Funding Agency Apprenticeships	579	759
Funding body non recurrent grants	926	930
	<u>9,697</u>	<u>9,412</u>

3. TUITION FEES AND EDUCATION CONTRACTS

	2023	2022
	£'000	£'000
UK Further Education Students	238	200
Apprenticeship fees	7	3
Advanced Learning loans	193	300
	<u>438</u>	<u>503</u>

4. OTHER GRANTS AND CONTRACTS

	2023	2022
	£'000	£'000
Other Grants and contracts	669	802
	<u>669</u>	<u>802</u>

5. OTHER INCOME

	2023	2022
	£'000	£'000
Government Capital Grants release – non funding bodies	1	1
Other income	356	323
Investment income	22	-
	<u>379</u>	<u>324</u>

6. STAFF COSTS

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

	2023 Headcount	2023 FTE	2022 Headcount	2022 FTE
Teaching and teaching support staff	235	154	245	153
Non – teaching staff	85	57	85	57
	<u>321</u>	<u>211</u>	<u>330</u>	<u>210</u>

Wages and salaries	6,169	5,990
Social security costs	490	476
Other pension costs including defined benefit pension adjustments of £311k less enhanced pension adjustment of £15k, (2022 £1,015k less enhanced pension adjustment of £17k)	1,580	2,204
	<u>8,239</u>	<u>8,670</u>
Contracted out staffing services	53	66
TOTAL STAFF COSTS	<u>8,292</u>	<u>8,736</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 Senior Leadership Team which comprises the Principal and the two Vice Principals.

	2023 No.	2022 No.
The number of Key management personnel including the Accounting Officer was:	4	3

6. STAFF COSTS (CONTINUED)

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

The number of key management personnel who received annual emoluments, excluding pension contributions and employer's National Insurance but including benefits in kind, in the following ranges was:

Key management personnel	2023	2022
	No.	No.
£5,001 - £10,000	1	-
£10,001 - £60,000	-	-
£60,001 - £65,000	1	-
£65,001 - £70,000	-	1
£70,001 - £75,000	1	1
£75,001 - £80,000	-	-
£80,001 - £85,000	-	-
£85,001 - £90,000	-	-
£90,001 - £95,000	1	1
	4	3

No other staff received annual emoluments, excluding pension contributions but including benefits in kind in excess of £60,000.

	2023	2022
	£'000	£'000
Key management personnel compensation is made up as follows		
Salary	229	225
Employer's national insurance contributions	29	29
Benefits in kind	2	3
	260	257
Pension contributions	51	50
Total emoluments	311	307

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. No compensation was paid to key management personnel for loss of office.

No member of the Corporation received any payment from the College for expenses incurred in the course of their duties.

SHIPLEY COLLEGE
Notes to the Accounts for the Year Ended 31 July 2023

6. STAFF COSTS (CONTINUED)

The above compensation includes amounts paid to the Accounting Officers (who are also the highest paid officers) of:

	2023	2023	2023	2022	2022
	£'000	£'000	£'000	£'000	£'000
	D Bird	N Chohan	Total	N Chohan	Total
Salary	90	8	98	90	90
Benefit in kind	1	0	1	1	1
	91	8	99	91	91
Pension contributions	21	2	23	21	21
Total	112	10	122	112	112

The Pension contributions in respect of the Principals and senior post-holders are in respect of the employer's contributions to the Teachers' Pension Scheme and West Yorkshire Pension Fund and are paid at the same rate as for other employees.

The College's median pay for all other Corporation employees in 2022/23 was £25,522 per annum.

The Fair Pay Review published in the Hutton Report for the public sector recommended that an organisation's pay multiple should be no greater than 20:1. The College's pay multiple based on the Principal's basic salary in 2022/23 was 3.63:1 and based on the Principals total emoluments was 3.66:1.

7. OVERSEAS ACTIVITIES

There were no costs incurred during 2022-23 in respect of overseas activities.

8. OTHER OPERATING EXPENSES

	2023	2022
	£'000	£'000
Teaching costs	310	298
Non Teaching costs	1,458	1,608
Premises costs	1,042	945
	2,810	2,851

Other operating expenses include:

	2023	2022
	£'000	£'000
Operating lease rentals		
Land and Buildings	115	115
Plant and Machinery	17	17
Auditor's remuneration		
Financial statements audit	22	19
Regularity audit	3	2
Teachers' Pension assurance	1	1
Internal audit assurance provided by separate supplier to other audit work	2	3

9. INTEREST AND OTHER FINANCE COSTS

	2023 £'000	2022 £'000
Net interest on defined pension liability (note 21)	70	181
Net interest on enhanced pension provision	7	4
	<u>77</u>	<u>185</u>

10. TAXATION

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

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Assets under Construction	Long leasehold improve - ments	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 August 2022	1,193	-	6,264	3,615	11,072
Additions	33	293	558	374	1,258
Disposals	(25)	-	(370)	(2,011)	(2,406)
At 31 July 2023	<u>1,201</u>	<u>293</u>	<u>6,452</u>	<u>1,978</u>	<u>9,924</u>
Depreciation					
At 1 August 2022	477	-	2,329	3,310	6,116
Charge for Year	30	-	127	130	287
Eliminated on disposal	(13)	-	(212)	(2,011)	(2,236)
At 31 July 2023	<u>494</u>	<u>-</u>	<u>2,244</u>	<u>1,429</u>	<u>4,167</u>
Net book value at 31 Jul 2023	<u>707</u>	<u>293</u>	<u>4,208</u>	<u>549</u>	<u>5,757</u>
Net book value at 1 Aug 2022	<u>716</u>	<u>-</u>	<u>3,935</u>	<u>305</u>	<u>4,956</u>

In line with the Management judgement noted on page 43, Assets under construction relate to the pre planning costs of the College's new build project funded by the Towns Fund. Planning permission is in progress and the outcome expected in by early 2024 and opening of the building in autumn 2025.

12. NON CURRENT INVESTMENTS

	2023 £'000	2022 £'000
Investment in subsidiary companies	1	1
	1	1
	1	1

The College owns 100 per cent of the issued ordinary £1 shares of Shipley College Developments Limited, a company incorporated in England and Wales. The principal activity of Shipley College Developments Limited was to design and build the Jonathan Silver Building for the College.

Shipley College Developments Limited is currently a dormant company but is expected to become active during 2023/24 to design and build the planned new build.

The College owns 100 per cent of the issued ordinary £1 shares of Shipley College Services Limited, a company incorporated in England and Wales, the company has been dormant since incorporation and application was made to Companies House for this company to be dissolved which was approved on 24 October 2023.

Shipley College is part of a joint venture agreement with West Yorkshire Consortium of Colleges Limited (WYCC). This is a company limited by guarantee with a maximum liability of £1 per college, there are currently 6 College members. There is no investment included in the accounts. Transactions with WYCC are included in note 22: Related party transactions.

13. TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade receivables	39	106
Other receivables	209	205
Amount owed from Subsidiary undertakings	1	1
Amounts owed by the funding body (ESFA)	1,040	75
Prepayments and accrued income	187	228
	1,476	615
	1,476	615

14. CASH AND OTHER CASH EQUIVALENTS

	At 31 July 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
College Cash in hand and at bank	2,719	(1,266)	1,453
TOTAL	2,719	(1,266)	1,453

15. SHORT TERM INVESTMENTS

	At 31 July 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
College Cash on deposit for 6 months	-	1,400	1,400
TOTAL	-	1,400	1,400

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade creditors	935	240
Taxation and social security	119	128
Other creditors	151	154
Deferred income – government capital grants	187	88
Deferred income – government revenue grants	854	405
Holiday pay accrual	297	293
Accruals and deferred income	431	575
	2,974	1,883

17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023 £'000	2022 £'000
Deferred income – government capital grants	3,508	2,722

18. PROVISIONS

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2022	2,362	205	2,567
Decrease in provision	(2,362)	(47)	(2,409)
At 31 July 2023	-	158	158

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 21 including the treatment of an unrecognised surplus.

The enhanced pension provision relates to the cost of staff who have already left the College's employment 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:	2023 £'000	2022 £'000
Interest Rate	5.0%	3.3%
Inflation Rate	2.8%	2.9%

19. OPERATING LEASES

At 31 July 2023, the College had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings

	2023 £'000	2022 £'000
Due within one year	115	115
Later than one year and not later than five years	460	460
Later than five years	1,546	1,661
Total Future minimum lease payments due	<u>2,121</u>	<u>2,236</u>

A total of £115k was recognised as an operating lease expense in the year (2022 £115k).

Equipment

	2023 £'000	2022 £'000
Due within one year	17	16
Later than one year and not later than five years	6	22
Total Future minimum lease payments due	<u>23</u>	<u>48</u>

A total of £17k was recognised as an operating lease expense in the year (2022 £17k).

20. FINANCIAL COMMITMENTS

As at 31 July 2023 the College had £138k of commitments for equipment orders (2022 £75k) and £3,171k of commitments for building works (2022 £nil).

21. DEFINED BENEFIT OBLIGATIONS

The College's employees belong to two principal employment benefit plans, the Teachers' Pensions Scheme (TPS) for academic and related staff, and the West Yorkshire Pension Fund for non-teaching staff. Both are defined-benefit plans.

The total pension cost for the period:	2023	2022
	£'000	£'000
Teachers' Pension Scheme: contributions paid	718	680
West Yorkshire Pension Fund –contributions paid	565	526
Defined benefit obligation accounting adjustment	311	1,015
Enhanced pension charge to Statement of Comprehensive income	(15)	(17)
Total pension cost for the year within staff costs	1,579	2,204

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £104k (2022 £103k) were payable to the schemes at 31st 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' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

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

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

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

21. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion giving a notional past service deficit of £39.8 billion.

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 (compared to 23.68% since September 2019). The Department for Education agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2021-22 and 2022-23 academic years.

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 £718k (2022: £680k).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by the West Yorkshire Pension Fund (WYPF). The total contribution made for the year ended 31 July 2023 was £757k of which employers’ contributions totalled £573k and employee’s contributions totalled £184k. The contribution rates from April 2017 have been 5.5% -9.9% for employees based on salary levels. The employers contribution rates have been 18.3% from April 2021, 19.1% from April 22 and 19.3% from April 2023.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.85%	3.85%
Rate of increase for pensions in payment/inflation	2.6%	2.6%
Discount rate for scheme liabilities	5.0%	3.4%
Inflation assumption (CPI)	2.6%	2.6%
Commutation of pensions to lump sums – maximum cash v 3/80th cash	75%	75%

SHIPLEY COLLEGE

Notes to the Accounts for the Year Ended 31 July 2023

21. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

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

	At 31 July 2023	At 31 July 2022
Aged 65 at accounting date		
Males	21.0	21.8
Females	24.1	24.6
Aged 45 at accounting date		
Males	22.2	22.5
Females	25.1	25.7

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

	Value at 31 July 2023 £'000	Value at 31 July 2022 £'000
Equities	13,772	13,015
Government Bonds	1,238	1,133
Other Bonds	774	706
Property	567	657
Cash/liquidity	533	657
Other	309	246
College share of total market value of assets	17,193	16,414
Present value of scheme liabilities		
Funded	(15,547)	(18,762)
Unfunded	(15)	(14)
Asset/Deficit in the scheme	1,631	(2,362)
Notional surplus not recognised	(1,631)	
	-	(2,362)

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

21. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

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

	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service costs	888	1,549
	2023 £'000	2022 £'000
Amounts included in financing costs		
Net finance cost	77	184
	2023 £'000	2022 £'000
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets excluding amounts included in net interest	79	372
Actuarial gain on liabilities in defined benefit pension scheme	4,295	9,401
Management reduction in Actuarial gain on liabilities in defined benefit pension scheme	(1,631)	-
Actuarial gain/(loss) on liabilities in enhanced pension provision	39	17
Amounts recognised in Other Comprehensive Income	2,782	9,790
	2023 £'000	2022 £'000
Movement in net defined liability during year		
Deficit in scheme at 1 August	(2,362)	(10,939)
Movement in year:		
Employer's service costs (net of employee contributions)	(888)	(1,549)
Employer's contributions	577	534
Net interest	(70)	(181)
Actuarial gain	4,374	9,773
Notional surplus not recognised	(1,631)	-
Net defined liability at 31 July	-	(2,362)

21. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

	2023 £'000	2022 £'000
Asset and Liability Reconciliation		
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at start of period	18,776	26,415
Current service cost	888	1,549
Interest cost	631	447
Contributions by scheme participants	185	178
Changes in financial assumptions	(4,295)	(9,401)
Estimated benefits paid	(623)	(412)
Defined benefit obligations at end of period	15,562	18,776
Fair value of plan assets at the start of period	16,414	15,476
Interest on plan assets	561	266
Return on plan assets less interest on plan assets	79	372
Employer contributions	577	534
Contributions by scheme participants	185	178
Estimated benefits paid	(623)	(412)
Notional surplus not recognised	(1,631)	-
Fair value of plan assets at the end of the period	15,562	16,414

The impact of the pension liability on the College's reserves is

	2023 £'000	2022 £'000
Income and Expenditure before pension liability	3,349	3,379
Pension liability	-	(2,362)
Income and expenditure account	3,349	1,017

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). There has also been court action regarding age discrimination in the fire service with regard to pension benefits. The impact on the LGPS, and the financial impact has been reflected in the FRS102 LGPS positions for the since the 2018/19 accounts. The 2021/22 and 2022/23 valuations include a prospective allowance for McCloud liabilities of 1.07% of Pensionable Pay over the accounting period.

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Notes to the Accounts for the Year Ended 31 July 2023

22. RELATED PARTY TRANSACTIONS

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

No expenses have paid to or on behalf of the Corporation during the year for travel and subsistence expenses and other out of pocket expenses incurred in attending Corporation meetings and charity events in their official capacity.

No member of the Corporation has received any remuneration or waived payments from the College or its subsidiaries during the year (2022 – none).

Transactions with funding bodies are detailed in note 2.

During the year Shipley College Developments Limited a wholly owned subsidiary of the College made no sales to the College (2022 nil).

During the current and previous years Shipley College made no sales to Shipley College Developments Limited.

At 31 July 2023 Shipley College Developments Limited owed Shipley College £1k (2022 £1k).

Shipley College is part of a joint venture agreement with West Yorkshire Consortium of Colleges Limited (WYCC). This is a company limited by guarantee with a maximum liability of £1 per college. Diana Bird attends Board meetings. Nav Chohan was a Director until 31 August 2022.

The College paid subscriptions to WYCC of £1,500 in 2022/23 (2021/22 £1,500) and received no gift aid in 2022/23. The College made a loan to WYCC in 16/17 of £5,000. A provision for bad debt has been made for this debt as no repayment is currently expected. At 31 July 2023 a debt of £109,714 (2022 £148,363) for project expenditure due from WYCC with income reflected in the 2022/23 accounts of £193,834 (2021/22 £250,849).

23. AMOUNTS DISBURSED AS AGENT

Learner Support Funds

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Funding body grants		
16-18 discretionary bursary fund	187	191
Advanced learning loan bursary fund	44	31
TOTAL	231	222
Disbursed to students	(191)	(206)
Staffing	(9)	(9)
Balance unspent in the year	31	7

23. AMOUNTS DISBURSED AS AGENT (CONTINUED)

Learner Support Funds	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Balance at 1 August 2022 included in creditors	61	70
Funds returned to the funding body	(7)	(16)
Funds retained due to reassessment of clawback	(54)	-
Funds unspent in year	31	7
Balance at 31 July 2023 included in creditors	31	61

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

The Salt Foundation

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Balance at 1 August included in (creditors)/debtors	(12)	20
Paid to staff engaged by the College	161	161
Paid to suppliers on behalf of the charity	137	97
Income retained	16	16
Funds received from the charity	(241)	(247)
Funds received on behalf of the charity	(22)	(59)
Balance at 31 July included in Debtors/(creditors)	39	(12)

The College acts as the managing agent for The Salt Foundation to handle the costs of running the Victoria Hall, Saltaire as an events venue on behalf of The Salt Foundation. All costs incurred are reimbursed by the Salt Foundation. In these circumstances related expenditure is therefore excluded from the Statement of Comprehensive Income.

The income from providing this service and all other transactions with The Salt Foundation, including expenditure incurred by the College for its use of space in the Victoria Hall, and the rent of the Salt and Exhibition buildings is included in the Statement of Comprehensive Income.