

**WAKEFIELD COLLEGE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2021**

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel

Key management personnel are represented by the following in 2020/21:

Post Title	Post Holder	Date Appointed	Leaving Date
Principal, Chief Executive and Accounting Officer	Sam Wright	01/03/2011	N/A
Executive Director: Finance and Resources	Jason Pepper	12/06/2017	N/A
Executive Director: Quality and Planning	Sue Slassor	01/09/1991	06/08/21
Executive Director: Curriculum	Lisa Macdonald	01/02/2012	N/A
Executive Director: Student Experience and Student Support	Clare Allcock	14/05/2012	N/A
Executive Director: Human Resources and Organisational Development	Karen Sykes	30/09/2002	N/A
Executive Director: Employer Engagement and Apprenticeships	Joanne Taylor	01/01/2017	N/A
Director: Higher Education	Clare Hagerup	10/09/2014	N/A
Director: Higher Education Development	Tony Rex	18/02/2002	N/A
Director: Estates	Jon Howard	04/01/2005	N/A
Clerk and Legal Officer	Sam Cremore	07/01/2019	N/A

Board of Governors

A full list of Governors is given on page 23 of these financial statements.

Sam Cremore acted as Clerk to the Corporation throughout the period.

Professional Advisers

Financial Statements and

Regularity auditor:

RSM UK Audit LLP
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Internal auditors:

ICCA
McLaren House
46 Priors
Queensway
Birmingham
B4 7LR

Solicitors:

Eversheds Sutherland
Bridgewater Place
Water Lane
Leeds
LS11 5DR

Insurance Brokers:

Zurich Municipal
1 East Parade
Leeds
LS1 2UA

Bankers:

Close Brothers Limited
10 Crown Place
London
EC2A 4FT

Lloyds Bank plc
2nd Floor
Lisbon House
116 Wellington Street
Leeds
LS1 4LT

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Report of the Governing Body

The members present their report and the audited financial statements for the year ended 31 July 2021.

Key Developments

- In the face of continued disruption arising from Covid-19, the College continued to deliver teaching and learning through the 2020-21 academic year and provide vital support to our many vulnerable students.
- The College again delivered strong achievement rates and a high proportion of positive destinations for completing students.
- The College received an FE Capital Allocation grant of almost £1m from the ESFA. This facilitated accelerated progress towards delivering the final elements of our 2018-2023 Infrastructure Strategy.

Nature, Objectives and Strategy

Legal Status

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

The College's registered address is Margaret Street, Wakefield, West Yorkshire, WF1 2DH.

Mission

The College's Mission continues to be:

"Transforming lives through learning....

....by enabling young people, adults and employers to fulfil their potential"

Public Benefit

Wakefield College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 23.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the delivery of education to 7,822 students, including 228 students with high needs. The College provides

Nature, Objectives and Strategy (continued)

Public Benefit (continued)

courses without charge to young people, to those who are unemployed and adults taking English and Maths courses. The College adjusts its courses to meet the needs of local employers and provides training to 1,170 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 Strategic Plan

In July 2020 the Corporation formally approved the College's Strategic Plan for the period 1 August 2020 to 31 July 2021. This Plan was based around four Strategic Objectives, each of which was underpinned by a range of Key Performance Indicators and Performance Indicators. The Corporation monitors performance against Strategic Objectives, Key Performance Indicators and Performance Indicators throughout the year via consideration of a performance dashboard at each Governing Body meeting. The Corporation agreed the following Strategic Objectives for the period 2019-22:

1. Deliver a high-quality, destination focused learning experience to all learners.
2. Meet the skills needs, aspirations and interests of the Wakefield District and the wider region.
3. Have a skilled, engaged workforce who feel safe and promote College values.
4. Resource a high-quality student experience.

Key achievements included:

- Delivery of an inclusive curriculum responding to Wakefield and Leeds City Region skills priorities and labour market needs. 85% of provision was in priority skill sector areas.
- Strong achievement rates in the context of the pandemic. Pass rates in the majority of programmes continued to be high across all types of provision.
- The College was highly responsive in meeting the challenges presented by COVID-19, to ensure students continued to receive an excellent educational experience.
- Extensive focus on student and staff mental health and wellbeing, providing high levels of support and a wide range of engagement activities.
- Excellent student survey response levels, with the vast majority of responses at 4+ out of possible 5 grades (good or better).
- National Student Satisfaction (NSS) results for University College Wakefield (UCW) gave an overall satisfaction rate of 86%, rating us as the fourth best higher education provider in Yorkshire, ahead of most universities.
- Maintenance of our Matrix Accreditation during our annual review of continuous improvement.
- Achievement of the Quality Standard in Carer Support accreditation for our work in supporting Young Adult Carers.

Nature, Objectives and Strategy (continued)

Implementation of Strategic Plan (continued)

- Substantial investment in the College's estate.
- Excellent progress on our sustainability agenda, with further reductions in carbon emissions; and the embedding of sustainability into the curriculum.
- Our Children's University continued to offer out of school learning opportunities to primary schools and families across the district during lockdown.

Financial Objectives

Covid-19 had an ongoing impact on College operations throughout 2020/21. Income and expenditure were affected, but only to a limited degree. Consequently, the College was able to make good progress towards achieving its financial objectives for the year:

To return to 'Outstanding' financial health.

This target has been achieved. The College has achieved a calculated financial health grade of 'Outstanding'.

The College ESFA financial health grade for the year ended 31 July 2020 was 'Good'.

(i) To hold at least £3.89m of cash at bank at 31 July 2021.

This target has been achieved. The College held £8.34m of cash at bank and in short term investments at 31 July 2021.

£3.70m was held at 31 July 2020.

(iii) To ensure that staffing costs were no more than 72.4% of eligible income.

This target has been achieved. Staffing costs (excluding restructuring, enhanced pension and FRS102(28) charges) were 71.6% for the year ending 31 July 2021.

Staffing costs were 74.3% of eligible income for the year ended 31 July 2020.

(iv) To achieve EBITDA greater than £1.9m (Earnings Before Interest, Taxation, Depreciation and Amortisation).

This target has been achieved. The EBITDA for year ending 31 July 2021 was £2.40m (8.66%).

The EBITDA for year ending 31 July 2020 was £1.76m (6.75%).

Nature, Objectives and Strategy (continued)

Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the Qualification Achievement Rate report, National Achievement Rate Tables, and the DfE Performance Tables as to compare performance in measures such as achievement rates and value added.

Key Performance Indicators and Performance Indicators cover the College's operations and include attendance, student numbers, lesson observation activity, funding and allocations, financial objectives, staff absence, staff utilisation and property condition. Certain performance indicators are reviewed cyclically according to the availability and currency of the data. These include student satisfaction, destination data and achievement rates.

Of the forty-one 2020/21 Performance Indicators set by Governors, at the July 2021 Board meeting 25 were rated as green, five were amber, ten were red, and one was unrated. Several of the red rated measures (and the single unrated measure) were significantly impacted by Covid-19, most notably those related to student and staff attendance.

Governors kept all Performance Indicators under scrutiny throughout the year, including during lockdown when Board meetings were held online. Key Performance Indicators that saw particularly strong performance included:

- Achievement rates
- Student progress
- Financial Performance
- Student satisfaction with college facilities

Financial Position

Financial Results

The College produced an operating deficit before actuarial loss or gain in respect of pension schemes in the year of £2,628,000 but, after pension service costs of £2,949,000 (2019/20: operating deficit of £2,024,000, after pension service costs of £2,061,000).

Tangible fixed asset additions during the year amounted to £1,111,000 (2019/20: £2,425,000).

The College relies significantly on the education sector funding bodies as its principal funding source, largely from recurrent grants. In 2020/21, based on the College's management accounts, these funding bodies provided 82.8% of the College's total income (2019/20: 80.4%).

Financial Position (continued)

COVID-19

The College experienced some operational disruption due to Covid-19 and the associated lockdown during the year ending 31 July 2021. The financial impact of Covid-19 was contained because of the lagged nature of 16-18 funding, and the decision by the ESFA to reduce the funding tolerance threshold for 19+ funding. However, some other key funding streams were not subject to the same kind of protection, and the College saw significant disruption to its apprenticeship activity and associated income. A large proportion of existing apprentices were placed on breaks in learning by their employers during 2020/21. Consequently, apprenticeship income for the financial year was significantly reduced compared to the immediate pre-pandemic period.

In addition to lost income, the College also experienced additional expenditure as a result of Covid-19. £72,000 of this related to the procurement of personal protective equipment (PPE) for staff and students, as well as specialist cleaning equipment. In addition, the College spent £75,000 on IT equipment to support remote study.

The College has seen a significant decrease in its LGPS liability in the year ending 31 July 2021. This is due in large part to a change in the discount rate used to calculate scheme liabilities.

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.

Wakefield College has a separate treasury management policy in place.

The College generated £8,000 of investment income (2020/21: £19,000) excluding endowments from the management of its cash balances.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation.

A key focus of treasury management activity for the College is to ensure that resources are in place to support the property strategy and invest in other elements of the College's operations.

Cash Flows and liquidity

There was a net cash inflow on operating activities of £5,451,000 during the year (2020/21: £1,675,000).

The College's cash and investment balances stood at £ 8,342,000 (31 July 2020: £3,696,000)

Financial Position (continued)

Reserves Policy

The College has no formal reserves policy but recognises the importance of reserves in ensuring its ongoing financial stability. A key focus of the Corporation in recent years has been to ensure that the College has adequate reserves to support its core activities and meet payroll commitments of approximately £1.6m per month. The College currently has a small, restricted reserve, the result of a past legacy. As at the balance sheet date, the Total Unrestricted Reserves stand at £ 17,627,000 (2020: £11,626,000).

As indicated elsewhere in this report, the College has both a robust treasury management policy and clear financial objectives that are focused on ensuring that it maintains sufficient resources to deliver its strategic plan.

Although the additional costs incurred as a result of Covid-19 has had a limited impact on College reserves, this will not be to an extent that threatens our financial viability or calculated ESFA financial health grade.

Financial Health

The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The Finance Record produces a financial health grading. The rating of 'Outstanding' confirmed by the ESFA in October 2021 is considered an appropriate assessment. The College also expects to achieve a financial health grade of 'Outstanding' for 2021/22.

The College has maintained robust financial health through a careful approach to curriculum planning, budget setting and cash flow management. Although the College has made a significant investment in infrastructure in recent years, it has been able to finance these from reserves and capital grants, and so has no debt and continues to retain an appropriate level of cash reserves.

As stated above, although the College has seen some financial impact from Covid-19, this has not been significant enough to impact on our calculated ESFA financial health grade.

Current and Future Development and Performance

Student Numbers

In 2020/21 the College delivered activity that produced £21,705,000 in funding body main allocation from the ESFA (2019/20 - £19,897,000). Total student numbers in year were 7,822 this includes learners funded by our main funding bodies in addition to learners funded from other sources (2019/20 – 8,205).

As stated above, Covid-19 has impacted on student participation, with a number of apprentices taking a break in learning during 2020/21 due to the impact of the pandemic.

Students' Achievements

For a further year, due to the Covid-19 pandemic and the disruption to students' learning, achievement rates and other performance measures will not be published for further education students for 2020/21.

The College offers a wide range of academic, vocational and apprenticeship provision designed to meet both local and regional skills priorities. Provision is brought to life through industry projects, work placements, trips, visits, and competitions. As a consequence of the pandemic, 'live' curriculum took a hit and had to be cancelled.

Creative and innovative teaching & learning became a challenge and one that teachers rose to and adapted to extremely well. Teacher resilience throughout the demanding Teacher Assessed Grading process was simply phenomenal and although we are reporting less exciting activity this year, we are as proud as ever of our teachers and students.

During year ending 31 July 2021, the following curriculum developments are particularly worthy of note:

A-Levels

- Our A Level students achieved an overall pass rate of 98% compared with 100% last year, and 96% the previous year (18-19), the 17th consecutive year we have achieved a pass rate of over 95%, and against a backdrop of 59% more entries. 4 subjects achieved a 100% pass rate over 3 years these being, English Language, English Literature, History and Law.
- 133 students applied for university entry 2021/22. This includes A level, BTEC Applied Science and Access to Higher Education. Of these 115 (86%) were placed at university via UCAS entry.
- 79% of A level students have progressed to university study for 2021/22 via UCAS.
- 76% of Access to HE students have progressed to university study for 2021/22 via UCAS.
- High Grades (A*-C) this year out-turned at 37%, a decrease of 8% points on 2019/20 but, an increase of 13% on 2018-19 (normal exam year).

Current and Future Development and Performance (continued)

A-Levels (continued)

- 10 of the 14 A Level subjects (15 when including the A Level Extended Project) achieved a 100% pass rate, including Biology, Business, Chemistry, Computer Science, Economics, English Language, History, Law and Psychology. English Literature achieved 100% pass rate for the 16th consecutive year. This is against a backdrop of -2.3 Average points per entry.
- 12 out of 14 A Level subjects achieved over 50% high-grades, with an outstanding performance from Economics with 92% high-grades and Biology 85%. 5 courses significantly improved their high-grade performance (compared to previous year) and 8 courses significantly improved their high-grade performance based on 2018/19.

Performing Arts & Music

A much quieter year for our performance departments, as a result of the pandemic.

- Excellent Enrichment and live briefs e.g., Ridings 'Our Yard'/Wakefield Council/Art Walk / Professional workshops/Virtual Film Festival.
- Strong industry links with Connected Campus and Screen Yorkshire, Works placement with Phoenix, Red Ladder, Theatre Royal, Invisible man.

Computing & Digital Industries

- Teachers developed and planned the new Digital Support Services T – Level pathway, establishing a curriculum ready for 2021/22 delivery. Although this course has now been deferred for another year, we were successful in developing teachers through CPD and training, and in securing funding for a new "Digital IT Lab" resource for future delivery. Computing teachers committed time and resource to developing the new T-Level alongside our partner employer Bellingham IT. This was balanced alongside the pressures of introducing the new BTEC specification. Despite the obvious constraints, they were able to plan and write a curriculum (in time for 2021/22) that mirrored professional standards and knowledge – in line with the Occupational Specialism and Core units of the T-Level qualification.
- We successfully introduced and delivered the new BTEC Diploma for Business, overcoming the challenges of remote learning and a stringent EV process at the end of the year. The new spec has given us opportunities to focus on specific pathways.
- In 2020/21 we piloted an introductory project called "the Industry" which was particularly successful on Y1/2 Level 3 Games. The brief has helped students establish a preferred specialism by the time they reach their Final Major Project. In the past, the focus was on skills but not underpinned by actual roles. The specialisms of ART, Design and Programming are now established. This was a pilot brief that is now being standardised across Computing and Business too for 2021/22.

Current and Future Development and Performance (continued)

Computing & Digital Industries (continued)

- Games Design linked with the UKIE Video Games Ambassador scheme – connecting colleges with a large network of UK games industry professionals and studios. This enabled us to plan and organise a major “industry week” (attached) introducing students to over 12 employers, covering a diverse range of topics including progression, professional practice, women in games, roles in industry etc.
- The work placement team planned similar career weeks for Computing and Business. A highlight for Business was the opportunity to work on a live community set brief – designing a full rebrand for the Hut community Centre in Castleford – culminating in an official launch of the brand (below). It’s now really cemented our relationship with Engie who are developing something similar for Events Management in 2021/22.
- The new Computer Science BSc was introduced to our HE portfolio, after securing validation through Hull. This was following an intensive research / development process (in 2019/20), responding to industry demand and aligning to the sector skills gaps. We carried out consultation with a number of local / regional employers to support our validation.

Alternative Curriculum

- The Early College Transfer schools programme remains extremely popular with partner schools with 56 starts in 2020/21.
- Outstanding achievement rates for alternative curriculum’s VIP programmes at 92%.
- 76% of ECT students went on to enrol as post-16 students at Wakefield College in Sept 2021.

Horticulture and Animal Care, Hospitality & Catering, Hair & Beauty

- Horticulture have supplied their first batch of vegetables to Catering, including onions, garlic and squash.
- Animal Care has a new practical/workshop room.
- Hair and Beauty – the Beauty Therapy lecturers are now trained in Elemis beauty therapy techniques. This offers kudos to the department and to the student training.

ESOL

- In response to the transient nature of our adult ESOL enrolments, the structure of our adult ESOL programmes was adapted to cover more hours per week, fewer weeks per year. This ensured that adults enrolling could complete their qualification more quickly so were therefore less likely to leave the course part way through. Retention for adult ESOL in 2020/21 - 95.3%.

Current and Future Development and Performance (continued)

ESOL (continued)

- As the pandemic continued and blended learning became the model for Study Programmes, the ESOL team took part in a project funded by the ETF to develop and enhance their practice. They carried out action research into barriers to EdTech for ESOL students and created a model of Digital Pedagogy that could be adapted for use by any ESOL tutor in any College. The team worked exceptionally hard on this project and presented their work at a national ETF conference in July. They have been invited to share their project further at an international research event with tertiary and Higher Education providers from various different countries. The ESOL team themselves reported that the model that they created ensured learning was more person-centred and linked to individual students' abilities and aspirations whilst enabling them to progress with their digital skills more rapidly than before.

FLEX

- A continued commitment to growth and development of our SEND work-based pathways has ensured more students with learning difficulties in our FLEX provision are now planning realistic pathways from education into paid employment. Our Get Set curriculum has been refined and now has a renewed focus as a preparation for the workplace course and as such as our employer links for substantive placements has increased. We are now accepting students with SEND from vocational areas within College, local schools and also graduates from residential providers and provide a curriculum that moves their mindset away from a student focus and into an employee focus.
- Having brought Pinderfields Project Search into the curriculum plan at the end of 2019/20, we now have two supported internship programmes in two very different employers, allowing EHCP students with a wide range of career aspirations to undertake placements that are matched to them. We also developed our SEND Traineeships and have created a curriculum that is personalised but ambitious for young people who have SEND but don't have an EHCP. After a very successful term at Highfields Specialist School, we now have three employer links dedicated to our Traineeship provision: Highfields Specialist School, YPO and Wakefield Local Authority. Despite the pandemic and the lack of physical placements at some part of 2020/21, we are still pushing forward with our goal for all work-based learners to achieve paid employment and are currently very much on track to achieve this.

Sport

All sporting competitions did not take place and so, this year lacks the usual accolades

- Introduction of the new L3 Sport course (pathways in Fitness and Personal Training and Sports Coaching and Development which are much more industry focused and linked to industry recognised qualifications.

Current and Future Development and Performance (continued)

Public Services

- Introduced the BA(hons) Criminology and Law validated with Hull, which ran successfully for the first year.

Construction

- **CIOB awards** Level 3 Construction and the Built Environment students along with Level 3 Electrical Installation were recognised for their efforts and successes and presented with a CIOB Student Award
- **CIOB Challenge** As a department we entered three teams in for CIOB regional challenge and our teams came first and second with Leeds College of Building coming third.

Future Prospects

The College has agreed total funding body income of £22.8m for the 2021/22 financial year. This includes funding from the Office for Students which has been confirmed at £162,452 for the same period.

Further additional discrete ESFA funding has been provided for 2021/22 to cover small group tuition costs (£530,579).

The College has received additional ESFA funding towards increased Teachers Pensions' costs in 2021/22.

We saw significant growth in 16-18 student numbers in 2020/21 and believe that this was the start of a sustained trend. There will be an increase in the volume of school leavers across the Wakefield District over the next few years, and we believe that this will provide an important opportunity for further growth. The College has seen a further increase in 16-18 student numbers at the start of the 2020/21 academic year.

Looking forward, the College will face additional competition from the new CAPA College campus due to open on Mulberry Way in 2022.

2021/22 will see the devolution of funding for adult further education to the West Yorkshire Combined Authority (WYCA). The College anticipates that this will lead to further flexibilities in funding conditions, and opportunities to better meet the skills needs of the Leeds City Region.

The scale and breadth of apprenticeship provision delivered by the College has grown in recent years. However, because of the economic impact of Covid-19 and associated lockdowns, the College has seen apprenticeship income growth stall. We anticipate that growth will resume in 2020/21, subject to no further disruption from Covid-19.

Current and Future Development and Performance (continued)

Future Prospects (continued)

The College will continue to develop its estate to ensure it provides high quality teaching and learning infrastructure that is both flexible and efficient. Key milestones in our Infrastructure Strategy have been achieved: we have continued the redevelopment of the Radcliffe Building, and completely revamped the Wakefield campus Refectory.

We will continue to pursue any capital funding opportunities that may assist with the delivery of the College Infrastructure Strategy.

Negotiations to dispose of our F Block site continue. The College has received offers from a number of parties, but the sale of this site has yet to be concluded.

The College will seek to undertake a Type B merger with Selby College in March 2022. Work towards this merger is well underway and a substantial amount of legal and financial due diligence has already been completed. Members are confident that the planned merger will provide significant opportunities for growth and improvements in learner outcomes. The due diligence work undertaken has demonstrated that the College will retain robust financial health and remain a going concern.

Members have no concerns about the College's continued ability to be a successful provider of learning to its communities, nor about its ability to adequately resource. The College has a reasonable level of reserves, and so has a solid platform from which to continue its success.

In addition to the risk management arrangements outlined elsewhere in this report, and the robust approach taken to risk management, arrangements are in place to monitor closely the performance of its operations, and the College has a constant focus on growing income, controlling costs and achieving efficiencies to ensure that resources can be re-invested in core activities.

Resources

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

- Tangible resources include the College campuses at Castleford and Wakefield City Centre.
- The College has £52.2m of tangible assets. These include land and buildings with a book value of £50.2 and equipment with a book value of £1.4m.
- At 31 July 2021 the College held £8.3m of cash, and had net current assets of £3.5m.
- The number of staff paid in year amounted to 644, of which 472 were teaching related.
- The College enjoys a high profile and good reputation within Wakefield and beyond.

Current and Future Development and Performance (continued)

Principal risks and uncertainties

The College's ability to achieve its vision and strategic objectives will be affected by its capacity to mitigate the risks and uncertainties that it faces. The College has well-established systems of internal control including financial, operational and risk management, which are designed to protect the College's assets and reputation.

The key elements of the College's risk management framework are identified in the Statement of Corporate Governance and Internal Control on page 22.

The College's risk environment is monitored regularly by College managers, the Executive Team and Governors to ensure that any emerging risks are identified, prioritised and mitigated and opportunities are maximised. The broad categories of risk facing the College are outlined below. Not all of these factors are within the College's control.

- The competitive environment for recruitment of 16–18-year-olds, HE students and for the delivery of training to employers (particularly apprenticeships).
- The extent to which the College can attract and retain high calibre skilled people to drive continuous improvement.
- The ability of the College to effectively manage its planned merger with Selby College.
- The impact of the Covid-19 pandemic on the ability of the College to operate normally, and the educational and emotional wellbeing of our students.
- The ability of the College to defend itself from a serious cyber attack.

Our response to the risks has been:

- to expand collaborative provision and continue to invest in high quality infrastructure;
- to develop an increasing understanding and awareness of local economic drivers and skills needs, and to target major local employers;
- to develop strategies to ensure students are retained and remain engaged with all aspects of their courses, and offered appropriate opportunities to progress;
- to review curriculum footprints and refresh the curriculum, particularly our offer to adults;
- to review our operations to ensure efficiency, effectiveness and value for money, and;
- to invest in the development of our staff and ensure that a variety of means are used to gain their commitment to the College's vision, mission and values;
- to seek appropriate professional advice and support in our planning for merger;
- to undertake robust due diligence reviews of the legal, financial and educational plans for our merger, and;
- to invest in the appropriate skills and IT security infrastructure to match the threat of cyber attack.

Current and Future Development and Performance (continued)

Relationship with our partners, stakeholders and communities

In common with other colleges and universities, Wakefield College contributes to and benefits from a broad range of important relationships. These include those with:

- students;
- parents or carers of students;
- staff;
- education sector funding bodies;
- local employers;
- local authorities;
- Local Enterprise Partnership (LEP);
- the local community;
- other FE institutions, local schools and universities;
- trade unions; and
- professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through the College internet site and by meetings.

The College is aware of several issues which may impact on future funding, including apprenticeship and technical/vocational education reforms and the devolution of the adult education budget. The College, in conjunction with its key stakeholders, has developed a strategy for growth in response to the devolution agenda and to the apprenticeships reform.

Equality & diversity

Wakefield College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry.

The College's Equality and Diversity Policy Statement is published on the College's website, along with a corresponding set of Equality Objectives and Datapack.

Wakefield College is committed to helping achieve equality for all learners, staff and other College users, and aims to ensure that all learners, whatever their background, have the opportunity to benefit from excellent and inspirational educational opportunities.

The College considers all job applications anonymously reducing the possibility of any conscious or subconscious bias.

Current and Future Development and Performance (continued)

Equality & diversity (continued)

The College considers all job applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. 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.

In September 2019, the College signed up to the Association of Colleges' Mental Health Charter for staff and students.

Disability Statement

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

- 98% of our facilities are accessible for people with disabilities and we strive to ensure all that is reasonably practicable is done to ensure access to people with disabilities.
- There is a register of specialist equipment which the College can make available for use by students with disabilities.
- The College has made a significant investment in the appointment of specialist staff to support students with learning difficulties and/or disabilities. There are a number of learning support workers who provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- Specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard College format.
- The College's 'Adaptations of Materials' service can provide information/course materials in alternative media – for example Braille, enlarged text, etc.
- The College has signed up to the Ambitious about Autism Charter.

Current and Future Development and Performance (continued)

Trade union facility time

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

Numbers of employees who were relevant period	FTE employee number
2	2.0

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

Total cost of facility time	£8,852
Total pay bill	£21,841,000
Percentage of total bill spent on facility time	0.04%

Time spent on paid trade union activities as a percentage of total paid facility time	10.5%
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Events after the Reporting Period

Wakefield College intends to merge with Selby College on 1 March 2022. This will be a 'Type B' merger and all Selby College trade, assets and liabilities will transfer to Wakefield College at the point of merger.

Going Concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future and has demonstrated this in the detailed financial plan to July 2023. This has included undertaking detailed financial due diligence in respect of the planned merger with Selby College. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The College has a long history of generating positive cash flows from operations and controlling costs through a robust process of business review. The College has produced a detailed cash flow forecast to July 2023 with sensitivity analysis, and this is subject to close frequent monitoring. The College has no bank loans or overdraft facilities and has recently completed a major capital project that was financed from reserves.

Current and Future Development and Performance (continued)

Going Concern (continued)

The College's financial plan shared with the Education and Skills Funding Agency in July 2021 demonstrated an ability to continue with its plans for investment and generate cash from its operating activities.

The Board takes assurance from this but recognises the challenges likely to impact on the sector over the next three years. In particular, Covid-19 may continue to suppress particular income streams such as apprenticeships and some course tuition fees and at the same time increase some operating costs.

The planned merger with Selby College will also present financial challenges but the detailed financial modelling undertaken around this has reassured the Board that the College will continue to enjoy robust financial health both during and after the merger has been completed.

As reported above, Wakefield College intends to merge with Selby College in March 2022. The Board has commissioned extensive legal and financial due diligence works to ensure that this merger can be completed without presenting a significant financial risk to the College. The merger will only proceed if the Board are confident that Wakefield College will continue as a going concern.

Disclosure of Information to Auditors

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

Approved by order of the members of the Corporation on 7 December 2021 and signed on its behalf by:



Andrew McConnell OBE
Chair of Corporation

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 2020 to 31 July 2021 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); and
- 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").

In the opinion of the Governors, the College complies with/exceeds all the provisions of the Code, and it has complied throughout the year ended 31 July 2021. This opinion is based on an internal review of compliance with the Code/Governance Evaluation reported to the board on 12 October 2021. This opinion is based on an internal review of compliance with the Code/Governance Evaluation reported to the board on 12 October 2021.

The Governing Body recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 (and amended in May 2019), which it formally adopted in August 2017.

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

Statement of Corporate Governance and Internal Control (continued)

Members who served the Corporation since 1 August 2020

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

Name	Date Appointed Re-appointed	Term of Office	Date of Resig- nation	Status of Appoint- ment	Committees Served	Attendance In 2021
Yasmin Ayub	Oct 20	4 years	-	Staff	-	6/6 (Board)
Nichola Bell	Jul 19	5 months	Jan 21	Staff	-	2/2 (Board)
Kaitlen Blacker	Nov 20	1 year	Jul 21	Student	-	4/5 (Board)
Claire Corneille	Oct 20	4 years	-	External	Remuneration	6/6 (Board) 1/1 (Remuneration)
Julie Craig	Mar 18	4 years	-	External	Audit Remuneration	6/6 (Board) 3/3 (Audit) 1/1 (Remuneration)
Dmitry Fedotov (Vice Chair)	Jul 17 July 21	4 years	-	External	Search and Governance Remuneration	6/6 Board 3/3 (Search and Governance) 1/1 (Remuneration)
Andrew McConnell OBE (Chair)	Oct 06/ Oct 10/ Oct 14/ Jan 17 Dec 18	4 years	-	External	Search and Governance Remuneration	6/6 (Board) 1/1 (Remuneration) 3/3 (Search and Governance)
Ian Parsons	Dec 16 Jan 17	4 years	Jan 21	External	Audit	2/2 (Board) 3/3 (Audit)
Josh Poole	Nov 20	1 year	Jul 21	Student	-	3/5 (Board)
Ben Porter	Jan 21	4 years	-	Staff	-	3/4 (Board)
David Powell	Oct 20	4 years	-	External	Audit	6/6 (Board) 2/2 (Audit)
Ruth Sacks	Oct 20	4 years	-	External	Audit	6/6 (Board) 2/3 (Audit)
Martyn Shaw	Apr 20	4 years	-	External	Audit Search and Governance	6/6 (Board) 3/3 (Audit) 3/3 (Search and Governance)
Neil Warren	Jul 20	4 years	-	External	Audit	6/6 (Board) 3/3 (Audit)
Sam Wright	Mar 11	n/a	-	Principal	Search and Governance	6/6 (Board) 3/3 (Search and Governance)

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

Statement of Corporate Governance and Internal Control (continued)

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

The Corporation meets at least twice each term and some of its business is conducted through committees. Each committee has written terms of reference, which have been approved by the Corporation. These committees are Audit, Remuneration and Search. Decisions of these committees are formally reported to the Corporation. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website:

or from the Clerk to the Corporation at:

Wakefield College
Margaret Street
Wakefield
West Yorkshire
WF1 2DH

The Clerk to the Corporation maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board 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 and Accounting Officer (Principal) are separate.

Statement of Corporate Governance and Internal Control (continued)

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 and Governance Committee, consisting of four members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration except for the Principal and Accounting Officer and Staff/Student members. 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 four years. In accordance with the Code, members generally serve no more than two terms, except where subsequently undertaking a new and more senior role, for example as chair.

Corporation performance

The corporation carried out a self-assessment of its own performance for the year ended 31 July 2021 and graded itself as "Good" on the Ofsted scale.

Remuneration Committee

Throughout the year ending 31 July 2021, the Remuneration Committee comprised four members. The governing body adopted the AoC's Senior Staff Remuneration Code in July 2019. The Committee's responsibilities are to make recommendations to the Board on the specific remuneration and benefits packages of the Accounting Officer and other senior post holders.

Details of remuneration for the year ended 31 July 2021 are set out in Note 7 to the financial statements.

Audit Committee

The Audit Committee comprised five members of the Corporation and one non-member during the relevant period. The Committee operates in accordance with written terms of reference approved by the corporation.

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

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

Statement of Corporate Governance and Internal Control (continued)

Audit Committee (continued)

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

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

The audit committee met three times in the year to 31 July 2021. The members of the committee and their attendance records are shown below:

Committee member	Meetings Attended
Julie Craig	3
Ian Parsons (non-member)	2
Ruth Sacks	2
Martyn Shaw (Vice Chair)	3
Neil Warren (Chair)	3
David Powell	2

Internal Control

Scope of Responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Conditions of Funding between Wakefield College and the funding body. She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

Statement of Corporate Governance and Internal Control (continued)

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the College for the year ended 31 July 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The Internal Control and Risk Management Framework

The College encourages the taking of measured risk that may provide opportunities to meet one or more of its objectives. The internal control and risk management framework is designed to: integrate risk management into the culture of the College; raise awareness of the need for risk management; encourage a positive approach to risk taking; support improved decision-making, innovation and performance; and, manage risk in accordance with best practice. The framework continues to evolve and enables the College to respond to a variety of strategic, operational, financial, commercial, regulatory and reputational risks. It provides assurances to successive levels of management and, ultimately, the Board. The key components of the risk and control framework include:

- clearly defined financial regulations and procedures including protocols for capital investment and other major developments;
- a strategic and financial planning and budgeting cycle involving staff at all levels of the College in the setting of objectives and actions and the allocation of resources;
- rigorous termly reviews of business areas to evaluate performance, assess areas of risk and opportunity and take appropriate action;
- a comprehensive anti-bribery policy, fraud policy and response plan, 'whistle-blowing' policy and disaster management and business continuity plan, which have been communicated to staff so that they are aware of the procedures for reporting significant risk issues and control failings to appropriate levels of management;

Statement of Corporate Governance and Internal Control (continued)

The Internal Control and Risk Management Framework (continued)

- continuing professional development and identification of personal objectives and operational tasks through annual appraisal, linked to the achievement of the College's strategic objectives and management of key risks;
- a College-wide approach to evaluating the quality of teaching, learning and assessment, and service areas including plans to address issues of poor performance;
- a high-profile health and safety management system, led by the Accounting Officer which actively promotes the commitment to and development of good health and safety;
- a human resources and organisational development strategy designed to meet the needs of the College in achieving its objectives whilst responding to changes in legislation;
- estates management based on a property strategy formulated to meet the needs of the College and its community;
- integrated management information systems designed to provide accurate and timely data and analysis to management to support decisions and monitor progress towards policies, strategies and targets.

The Corporation ensures that its business calendar and agendas enable risk management and internal control to be considered on a regular basis during the year so that there is a full risk and control assessment before reporting on 31 July each year. This includes reports on the effectiveness of risk management by the Audit Committee and Executive Team.

The College has an Internal Audit Service (IAS) which operates in accordance with the requirements of the ESFA's Post-16 Audit Code of Practice 2020 to 2021 and submits regular reports, which include its independent opinion on the adequacy and effectiveness of the system of internal control along with recommendations for improvement. The work of the internal audit service is informed by the College's analysis of risk, and annual internal audit plans are based on this analysis. The internal audit annual and strategic plans are approved by the Audit Committee. The Head of Internal Audit (HIA) provides the Governing Body with an annual report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the corporation

The corporation identifies risk by application of the College Risk Management Framework. This allows risks to be identified and the likelihood and impact of each to be assessed, and set against the risk appetite stipulated by the corporation. Each of the key risks is entered on to a risk register which is approved by the corporation. Each identified risk is evaluated according to its likelihood and potential impact and managed via mitigating actions identified and carried out by the relevant risk managers. During the relevant period, the

Statement of Corporate Governance and Internal Control (continued)

Risks faced by the corporation (continued)

Audit Committee reviewed the risk register at each of its three meetings with a view to satisfying itself that each risk remained within its tolerance range.

Control weaknesses identified

The internal auditors identified no fundamental/significant weaknesses during the relevant period.

Responsibilities under funding agreements

Wakefield College is careful to ensure it complies with all contractual requirements relating to internal control and risk management. The corporation seeks periodic assurance from its internal auditors that the College Risk Management Framework is effective and reflects best practice for the Further Education sector.

Statement from the audit committee

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

The specific areas of work undertaken by the IAS in 2020/21 and up to the date of the approval of the financial statements (which were reviewed by the Audit Committee) include:

- ESFA Apprenticeship Funding Audit in respect of which substantial assurance was given and two recommendations were made.
- Business support cost benchmarking which was an advisory report.
- Financial Planning and Budgetary Control in respect of which substantial assurance was given and no recommendations were made.
- Curriculum Efficiency in respect of which substantial assurance was given and one recommendation was made.
- Corporate Governance - Anti-Fraud and Corruption in respect of which substantial assurance was given and three advisory recommendations were made.
- ESFA External Assurance of Sub-Contracting Controls which was an advisory report.
- Follow-up of Previous Internal Recommendations in respect of which substantial assurance was given.

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control.

The Principal's review of the effectiveness of the system of internal control is informed by:

Statement of Corporate Governance and Internal Control (continued)

Review of Effectiveness (continued)

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

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

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

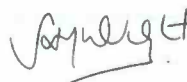
Executive Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's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

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

Approved by order of the members of the Corporation on 7th December 2021 and signed of its behalf by:



Andrew McConnell OBE
Chair of Corporation



Sam Wright
Accounting Officer

Statement on the College's Regularity, Propriety and Compliance

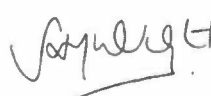
The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's grant funding agreements and contracts with ESFA. As part of our consideration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

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

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



Andrew McConnell OBE
Chair of Corporation



Sam Wright
Accounting Officer

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

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

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

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

Statement of Responsibilities of the Members of the Corporation
(continued)

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

Approved by order of the members of the corporation on 7 December 2021 and signed on its behalf by:



Andrew McConnell OBE
Chair of Corporation

Independent Auditor's Report to the Corporation of Wakefield College

Opinion

We have audited the financial statements of Wakefield College (the "College") for the year ended 31 July 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of the College's deficit of income over expenditure for the year then ended; and
- 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Independent Auditor's Report to the Corporation of Wakefield College (continued)

Other information (continued)

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of the Corporation of Wakefield College

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 32 and 33, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Corporation of Wakefield College (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Independent Auditor's Report to the Corporation of Wakefield College (continued)

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

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

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 29 October 2021. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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

Date 16/12/2021

Wakefield College
FINANCIAL STATEMENTS
For the year ended 31 July 2021

Statement of Comprehensive Income

	Notes	Year ended 31 July 2021 £000s	Year ended 31 July 2020 £000s
INCOME			
Funding body grants	2	23,727	21,796
Tuition fees and education contracts	3	3,783	3,872
Other grants and contracts	4	356	392
Other income	5	224	384
Investment income	6	8	19
Total income		28,098	26,463
EXPENDITURE			
Staff costs	7	22,546	21,115
Other operating expenses	8	5,351	4,989
Depreciation	10	2,130	2,063
Impairment	10	250	-
Interest and other finance costs	9	449	320
Total expenditure		30,726	28,487
Deficit before other gains & losses		(2,628)	(2,024)
Loss on disposal of tangible fixed assets	10	-	-
Deficit for the year		(2,628)	(2,024)
Remeasurement of net defined benefit pension liability	20	8,629	(14,777)
Total Comprehensive Income for the year attributable to the Corporation of the College		6,001	(16,801)


All of the above activities relate to continuing operations.

The notes on pages 42 to 67 form part of these financial statements.

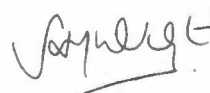
Balance Sheet as at 31 July

	Notes	2021 £000s	2020 £000s
Non-current assets			
Tangible fixed assets	10	52,243	53,512
Endowments	11	39	39
		52,282	53,551
Current assets			
Trade and other receivables	12	1,067	1,326
Investments	13/(19(a))	2,000	-
Cash at bank and in hand	19(a)	6,342	3,696
		9,409	5,022
Less: Creditors – amounts falling due within one year	14	(5,857)	(3,581)
Net current assets		3,552	1,441
Total assets less current liabilities		55,834	54,992
Creditors – amounts falling due after more than one year	15	(7,724)	(7,010)
Provisions for liabilities			
Defined benefit pension scheme	16/20	(26,913)	(32,593)
Other provisions	16	(3,531)	(3,724)
Total net assets		17,666	11,665
Restricted reserves:			
Endowment Fund		39	39
Unrestricted reserves			
Income and expenditure account		11,132	4,720
Revaluation reserve		6,495	6,906
Total unrestricted reserves		17,627	11,626
Total reserves		17,666	11,665

The financial statements on pages 38 to 67 were approved and authorised for issue by the Corporation on 7 December 2021 and were signed on its behalf on that date by:



Andrew McConnell OBE
Chair



Sam Wright
Accounting Officer

Statement of Changes in Reserves

	Restricted Reserve £000s	Income and expenditure account £000s	Revaluation reserve £000s	Total £000s
Balance at 1 August 2019	40	21,359	7,067	28,466
Deficit from the income and expenditure account	(1)	(2,023)	-	(2,024)
Other comprehensive income	-	(14,777)	-	(14,777)
Transfers between revaluation and income and expenditure reserves	-	161	(161)	-
Total comprehensive income for the year	(1)	(16,639)	(161)	(16,801)
Balance at 31 July 2020	39	4,720	6,906	11,665
Deficit from the income and expenditure account	-	(2,628)	-	(2,628)
Other comprehensive income	-	8,629	-	8,629
Transfers between revaluation and income and expenditure reserves	-	411	(411)	-
Total comprehensive income for the year	-	6,412	(411)	6,001
Balance at 31 July 2021	39	11,132	6,495	17,666

The notes on pages 42 to 67 form part of these financial statements.

Statement of Cash Flows

	Notes	2021 £000s	2020 £000s
Net cash flow from operating activities	19	5,451	1,675
Cash flows from investing activities			
Disposal of non-current asset investments		8	19
(Placement)/withdrawal of deposits		(2,000)	500
Payments made to acquire fixed assets		(813)	(2,721)
		(2,805)	(2,202)
Cash flows from financing activities			
Repayments of amounts borrowed		-	-
		-	-
Increase/(decrease) in cash and cash		2,646	(527)
Cash and cash equivalents at beginning of the year	19(a)	3,696	4,223
Cash and cash equivalents at end of the year	19(a)	6,342	3,696

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021

1 Accounting Policies

Statement of accounting policies and estimation techniques

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

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (the F & HE SORP 2019), the College Accounts Direction for 2020 to 2021, Regulatory Advice 9 : Accounts Direction issued by the OfS and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102) under the historical cost convention modified to include the revaluation of freehold properties. 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.

Going Concern

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

The College has a long history of generating positive cash flows from operations and controlling costs through a robust process of business review. The College has produced a detailed cash flow forecast to July 2023 with sensitivity analysis, and this is subject to close frequent monitoring. The College has no bank loans or overdraft facilities and has recently completed a major capital project that was financed from reserves.

The College's financial plan shared with the Education and Skills Funding Agency in July 2021 demonstrated an ability to continue with its plans for investment and generate cash from its operating activities until at least July 2023.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021

1 Accounting Policies (continued)

Extensive planning and financial due diligence has been undertaken in respect of the planned merger with Selby College. This demonstrates that the College will continue to enjoy robust financial health once the merger has been completed.

The College has a reasonable expectation that it has adequate resources to continue in operational existence or the foreseeable future (to at least 31 July 2023), and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Although the College expects Covid 19 to have an adverse effect on both income and operating costs these are not expected to affect the going concern basis of accounting.

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. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments. Adult Education Budget ('AEB') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement between the college and the ESFA at the reporting period end date. Any subsequent agreement to determination of the AEB funding after the reporting end date which is not provided for in the annual main funding guidance is not reflected in the income recognised.

For 2020-21 in light of Covid-19, the ESFA have announced that there will be a tolerance of 90% for clawback of AEB.

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

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

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

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

1 Accounting Policies (continued)

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 FRS 102. Other, non-governmental, capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee income

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

Investment income

All income from short-term deposits is credited to the Statement of Comprehensive Income 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 and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the college where the college is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

1 Accounting Policies (continued)

West Yorkshire Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

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

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

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 Statement of Comprehensive Income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

Tangible Fixed Assets

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

1 Accounting Policies (continued)

Land and buildings

Freehold land is not depreciated as it is considered to have an infinite useful life.

Freehold buildings are depreciated over their expected useful economic life to the college of between 5 and 44 years. The college has a policy of depreciating major adaptations to buildings over the period of 15 years.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2014, as deemed cost but not to adopt a policy of revaluation of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £500 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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.

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.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

1 Accounting Policies (continued)

Financial liabilities and equity

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

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 2% of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of expenses as appropriate and to the cost of tangible fixed assets, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when;

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

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

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

1 Accounting Policies (continued)

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating 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.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets 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.

- Determine whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

2 Funding Body Grants

	2021	2020
	£000s	£000s
Recurrent grants		
Education and Skills Funding Agency - adult	1,447	1,812
Education and Skills Funding Agency – 16-18	17,733	15,361
Education and Skills Funding Agency - apprenticeships	2,525	2,724
Office for Students	184	217
Specific Grants		
Teacher Pension Scheme contribution grant	604	536
Education and Skills Funding Agency - Other	228	323
Releases of government capital grants	191	188
Local Education Authorities	542	635
Education and Skills Funding Agency – High value courses for schools and college leavers	108	-
Education and Skills Funding Agency – 16-19 tuition fund	113	-
Education and Skills Funding Agency- Covid Testing	52	-
Total	23,727	21,796

The corporation has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak.

The college received funding of £430k for 16-19 tuition fund grant from the EFSA. Of this £113k was spent in year. The remaining funding will be carried forward to support learners in 2021/22.

The funding received of £52k for Covid-19 mass testing was a formulaic allocation and the college did not submit any claim for exceptional costs as this allocation covered the premises and staffing costs in year.

The college received £108k for high value courses for school and college leavers one year offer for 18- and 19-year-olds. This was a formulaic allocation to encourage and support delivery of selected level 2 and 3 qualifications in specific subjects and sectors that enable a more productive economy and support young people to remain engaged with education, employment and training.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

3 Tuition Fees and Education Contracts

	2021	2020
	£000s	£000s
UK Higher Education students	2,770	2,816
UK Further Education students	768	775
Apprenticeship Fees	24	46
International student fees	37	35
Total fees paid on behalf of individual students	3,599	3,672
Education contracts	165	172
Apprenticeship contracts	19	28
Sub Total	184	200
Total	3,783	3,872

Included within Funding Body Grants and Tuition Fees and Education Contracts are the following:

	2021	2020
Details of grant and fee income	£000s	£000s
Grant income from the Office for Students	217	264
Grant income from other bodies	23,510	21,532
Total grants	23,727	21,796
Fee income for taught awards (exclusive of VAT)	2,770	2,816
Fee income for non-qualifying courses	1,013	1,056
Total fees	3,783	3,872
Total grant and fee income	27,510	25,668

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

4 Other Grants and Contracts

	2021 £000s	2020 £000s
European Commission	-	1
Other grants and contracts	355	336
Coronavirus Job Retention Scheme	1	55
Total	356	392

The Corporation furloughed the some of the cleaning and security staff under the Government's Coronavirus Job Retention Scheme in 2019/20 and 2020/21. The funding received of £884 in 2020/21 relates to staff costs for two members of staff in August 2020 which are included within the Staff Costs (Note 7).

5 Other Income

	2021 £000s	2020 £000s
Releases of other government capital grants	147	205
Miscellaneous income	77	179
Total	224	384

6 Investment Income

	2021 £000s	2020 £000s
Other investment income	8	19
Total	8	19

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

7 Staff Costs

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

	2021 No	2020 No
Teaching Staff	298	295
Student Support	174	185
Non-teaching Staff	172	182
	644	662

Staff costs for the above persons

	2021 £000s	2020 £000s
Wages and salaries	15,106	14,688
Social security costs	1,331	1,264
Other pension costs	5,327	4,718
Payroll sub total	21,764	20,670
Contracted out staffing services	619	436
Total	22,383	21,106
Restructuring costs – Contractual	163	9
Total Staff costs	22,546	21,115

A 2% unconsolidated pay award was made to all staff in year, including key management personnel but excluding the Accounting Officer approved by Board.

Restructuring costs were reported to and reviewed by Audit Committee.

Pay in lieu of notice and holiday pay for leavers totalling £33,000 are included in Wages and salaries costs rather than restructuring costs in 2020.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

7 Staff Costs (continued)

Key Management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the individuals listed earlier (page number 2) in these financial statements.

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

	2021 No	2020 No
The number of key management personnel including the Accounting Officer was:	11	11

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

	2021 No	2020 No
£30,001 to £35,000 p.a.	1	1
£40,001 to £45,000 p.a.	1	1
£45,001 to £50,000 p.a.	-	1
£50,001 to £55,000 p.a.	2	1
£65,001 to £70,000 p.a.	2	3
£70,001 to £75,000 p.a.	2	1
£75,001 to £80,000 p.a.	-	1
£80,001 to £85,000 p.a.	1	-
£90,001 to £95,000 p.a.	1	1
£145,001 to £150,000 p.a.	-	1
£150,001 to £155,000 p.a.	1	-
Total	11	11

There were no other staff, other than key management personnel listed on page 2, who received emoluments, excluding pension contributions but including benefits in kind, in excess of £60,000.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

7 Staff Costs (continued)

Key management personnel compensation, including the Accounting Officer, is made up as follows:

	2021 £000s	2020 £000s
Basic Salary	795	778
Performance related pay and bonus	-	-
	795	778
Pension contributions	162	153
Total key management personnel compensation	957	931

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

In addition to the above national insurance amounted to £100,000 (2020 - £94,000)

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

	2021 £000s	2020 £000s
Salaries	155	150
Performance related pay and bonus	-	-
	155	150
Pension contributions	37	35
Total	192	185

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

The remuneration of the accounting officer and Clerk and Legal Officer for the year to July 2021 was determined on 9 November 2021 by the College's Remuneration Committee. Neither the accounting officer nor the clerk & legal officer was involved in setting their remuneration. The factors taken into account by the Committee in determining the accounting officer's remuneration for the year to 31 July 2021 included: performance against personal objectives; performance of the organisation; sector benchmarking data on pay of accounting officers in the region and in a similar income bracket; benchmarking of colleges with similar staff numbers and complexity of income streams. The clerk & legal officer's remuneration was decided upon following a review of sector pay benchmarks.

Only the accounting officer and clerk & legal officer is covered by the Senior Staff Remuneration Code.

Other key management personnel are subject to the same pay policies and procedures as all other employees.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

7 Staff Costs (continued)

The relationship between the accounting officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2021	2020
	No	No
Basic salary as a multiple of median basic salary of staff	5.26	5.18
Total remuneration as a multiple of median total remuneration of staff	5.40	5.43

This is calculated from the total pay costs excluding: enhanced pension, pension adjustments, contracted out staffing costs, restructuring, social security and employer pension contributions for the basic salary cost and including employer pension contribution for the total remuneration costs.

Governors' remuneration

The Accounting Officers and the staff member only receive remuneration in respect of services they provide undertaking their roles of Principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the college in respect of their roles as governors.

The total expenses paid to or on behalf of the Governors during the year was £335, 1 governor (2020: £245, 2 governors). This represented travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and other events in their official capacity.

No Governor has received any remuneration or waived payments from the College during the year (2020: Nil).

Compensation for loss of office paid to former key management personnel

	2021	2020
	£000s	£000s
Compensation paid to 1 former post-holder - contractual	40	-
Total	40	-

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

8 Other operating expenses

	2021 £000s	2020 £000s
Teaching costs	2,135	2,232
Non – teaching costs	1,689	1,468
Premises costs	1,527	1,289
Total	5,351	4,989

Other operating expenses include:

	2021 £000s	2020 £000s
Auditors' remuneration:		
Financial statements audit*	26	27
Internal audit*	14	10
Other services provided by the internal auditors	17	-
Operating lease rentals	49	50

*2020 fees included VAT

8a Access and participation expenditure

	2021 £000s	2020 £000s
Access investment	84	6
Financial support to students provided	60	67
Support for disability students	25	32
Research and evaluation (relating to access and participation)	9	1

The College's access and participation plan is available on the College's website at:
[office-for-students \(wakefield.ac.uk\)](https://www.wakefield.ac.uk/office-for-students)

9 Interest and other finance costs

	2021 £000s	2020 £000s
Pension finance costs (note 20)	449	320
Total	449	320

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

10 Tangible fixed assets

	Land and Buildings Freehold	Long Leasehold	Equipment	Total
	£000s	£000s	£000s	£000s
Cost or valuation				
At 1 August 2020	60,331	1,100	5,418	66,849
Additions	442	-	689	1,111
Transfers				
Disposals	-	-	(146)	(146)
At 31 July 2021	60,753	1,100	5,961	67,814
Depreciation and impairment				
At 1 August 2020	8,801	435	4,101	13,337
Charge for the year	1,467	37	626	2,130
Impairment	250	-	-	250
Elimination in respect of disposals	-	-	(146)	(146)
At 31 July 2021	10,518	472	4,581	15,571
Net book value at 31 July 2021	50,235	628	1,380	52,243
Net book value at 31 July 2020	51,530	665	1,317	53,512

Block remains on the market for sale and a further impairment of £250,000 has been made and charged to the statement of comprehensive income in 2020/21 in recognition of current market value. The asset has been impaired to £1,200,000.

The College's land and buildings were last valued at 31 July 2014, on transition date to FRS102, by Principal Surveyor at Sheffield Valuation Office in accordance with the Practice statements in the RICS Valuation – Professional Standards January 2014 as published by the Royal Institution of Chartered Surveyors.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

10 Tangible fixed assets (continued)

If fixed assets had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

	£000s
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	Nil

11 Endowments

	2021 £000s	2020 £000s
Endowments	39	39
Total	39	39

12 Trade and other receivables

	2021 £000s	2020 £000s
Amounts falling due within one year:		
Trade receivables	132	104
Other debtors	501	690
Prepayments and accrued income	226	311
Amounts owed by the Education & Skills Funding Agency	208	221
Total	1,067	1,326

Within Other debtors above is £145,000 (2020 - £435,000) receivable after more than one year from the balance sheet date.

Trade receivables includes a provision for bad debts of £69,000 (2020 - £55,000).

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

13 Current Investments

	2021 £000s	2020 £000s
Short term deposits	2,000	-
Total	2,000	-

Deposits were held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority. The interest rates for these deposits were fixed for the duration of the deposit at time of placement.

14 Creditors: amounts falling due within one year

	2021 £000s	2020 £000s
Trade payables	215	54
Other creditors	162	154
Other taxation and social security	318	303
Accruals and deferred income	4,227	2,696
Government capital grants	448	374
Amounts owed to the Education & Skills Funding Agency	487	-
Total	5,857	3,581

15 Creditors: amounts falling due after one year

	2021 £000s	2020 £000s
Government capital grants	7,724	7,010
Total	7,724	7,010

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

16 Provisions

	Enhanced pensions £000s	Defined benefit obligations £000s	Total £000s
At 1 August 2020	3,724	32,593	36,317
Utilised in the year	(192)	(1,059)	(1,251)
Additional provision in the year	(1)	(4,621)	(4,622)
At 31 July 2021	3,531	26,913	30,444

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:

	2021	2020
Price inflation	2.6%	2.2%
Discount rate	1.6%	1.3%

17 Capital commitments

	2021 £000s	2020 £000s
Contracts for future capital expenditure	349	nil

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

18 Commitments under operating leases

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

	2021 £000s	2020 £000s
Future minimum lease payments due		
Other		
Not later than one year	42	49
Later than one year and not later than five years	33	73
Total	75	122

19 Note to statement of cash flows

	Notes	2021 £000s	2020 £000s
Cash flow from operating activities			
Deficit for the year		(2,628)	(2,024)
Adjustment for non-cash items			
Depreciation/impairment		2,380	2,063
Decrease in debtors		259	593
Increase/(decrease) in creditors due within one year		1,978	(899)
Increase/(decrease) in creditors due after one year		714	(309)
Decrease/increase in provisions		(193)	210
Pension costs less contributions payable		2,500	1,740
Adjustment for investing or financing activities			
Investment income		(8)	(19)
Interest payable		449	320
Net cash flow from operating activities		5,451	1,675

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

19(a) Analysis of changes in net funds

	At 1 August 2020 £000s	Cash flows £000s	Other changes £000s	At 31 July 2021 £000s
Cash	3,696	2,646	-	6,342
Cash equivalents	-	-	-	-
Current asset investments	-	2,000	-	2,000
Overdraft facility repayable on demand	-	-	-	-
	3,696	4,646	-	8,342
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
Total	3,696	4,646	-	8,342

20 Retirement benefits

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

20 Retirement benefits (continued)

Total pension cost for the year

	2021	2020
	£000s	£000s
Teachers' Pension Scheme:	1,760	1,613
Local Government Pension Scheme:		
Contributions paid*	1,059	968
FRS102(28) charge	<u>2,500</u>	<u>1,741</u>
Charge to the Statement of Comprehensive Income	3,599	2,709
 Pension accrual for leaver	 9	 31
 Enhanced pension charge to statement of comprehensive income	 (1)	 365
Total Pension Cost for year within staff costs	<u>5,327</u>	<u>4,718</u>

Contributions amounting to £122,000 (2020: £115,000) were payable to the scheme at 31 July and are included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

20 Retirement benefits (continued)

Valuation of the Teachers' Pension Scheme

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2020 onwards (compared to 16.48% previously). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2020-21 academic year, and currently through to March 2022. The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to TPS in the year amounted to £1,760,000 (2020: £1,613,000).

Local Government Pension Scheme (LGPS)

The LGPS (West Yorkshire Pension Fund) is a funded defined benefit scheme, with the assets held in separate funds administered by Bradford Metropolitan District Council. The total contribution made for the year ended 31 July 2021 was £1,469,000 of which employer's contributions totalled £1,059,000 and employees' contributions totalled £410,000. The current employer contribution rate increased from 15.5% to 16.4% in April 2021 and future contributions have been notified as 17.2% from April 2022. Employee contributions are between 5.5% and 12.5% dependent on salary according to a national scale.

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

20 Retirement benefits (continued)

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

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries (for year 1 only)	3.85%	3.50%
Rate of increase in salaries (for year 2 only)	3.85%	2.50%
Rate of increase in salaries (for subsequent years)	3.85%	3.55%
Future pension increases	2.6%	2.30%
Discount rate for scheme liabilities	1.7%	1.40%
Inflation assumption (CPI)	2.6%	2.30%

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

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

	Fair Value at 31 July 2021 £000s	Fair Value at 31 July 2020 £000s
Equity instruments	39,361	32,093
Debt instruments	6,185	6,195
Property	1,816	1,776
Cash	1,080	661
Other	638	578
Total fair value of plan assets	49,080	41,303

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

20 Retirement benefits (continued)

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

	2021 £000s	2020 £000s
Fair value of plan assets	49,080	41,303
Present value of plan liabilities	(75,890)	(73,784)
Present value of unfunded liabilities	(103)	(112)
Net pensions liability	(26,913)	(32,593)

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

	2021 £000s	2020 £000s
Amounts included in staff costs		
Current service cost	(3,551)	(2,707)
Curtailment	(8)	-
Past service cost	-	(2)
Total	(3,559)	(2,709)

Amount recognised in Other Comprehensive Income

Return/(loss) on pension plan assets	7,046	(3,804)
Experience gain/(loss) arising on defined benefit obligations	1,583	(10,973)
Amount recognised in Other Comprehensive Income	8,629	(14,777)

Movement in net defined benefit liability during year

	2021 £000s	2020 £000s
Net defined benefit liability in scheme at 1 August	(32,593)	(15,755)
Movement in year:		
Current service cost	(3,551)	(2,707)
Employer contributions	1,059	968
Past service cost	-	(2)
Curtailments	(8)	-
Net interest on the defined liability	(449)	(320)
Actuarial gain/(loss)	8,629	(14,777)
Net defined benefit liability at 31 July	(26,913)	(32,593)

Notes to the Financial Statements for the Period 1 August 2020 to 31 July 2021 (continued)

20 Retirement benefits (continued)

	2021	2020
	£000s	£000s
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	73,896	59,902
Current service cost	3,551	2,707
Interest cost	1,029	1,248
Contributions by Scheme participants	412	395
Experience gain/(loss) on defined benefit obligations	(1,583)	10,973
Estimated benefits paid	(1,320)	(1,331)
Curtailments and settlements	8	-
Past Service cost	-	2
Defined benefit obligations at end of period	75,993	73,896
Changes in fair value of plan assets		
Fair value of plan assets at start of period	41,303	44,147
Interest on plan assets	580	928
Return on plan assets (excluding net interest on the net defined benefit liability)	7,046	(3,804)
Employer contributions	1,059	968
Contribution by Scheme participants	412	395
Estimated benefits paid	(1,320)	(1,331)
Fair value of plan assets at end of period	49,080	41,303
Actual return on plan assets	7,626	(2,876)

21 Related party transactions

Key management compensation disclosure is given in note 7.

There were no other related party transactions in year.

Reporting Accountant's Assurance Report on Regularity to the corporation of Wakefield College and the Secretary of State for Education acting through the Education and Skills Funding Agency ('the ESFA')

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 29 October 2021 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Wakefield College during the period 1 August 2020 to 31 July 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

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

We are independent of the Wakefield College in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Corporation of Wakefield College for regularity

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

Reporting accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable

Reporting Accountant's Assurance Report on Regularity to the corporation of Wakefield College and the Secretary of State for Education acting through the Education and Skills Funding Agency ('the ESFA') (continued)

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

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

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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

Use of our report

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

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Date 16/12/2021