Woodhouse College

Annual Report and Financial Statements

31 July 2020

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Chair's introduction Year to 31 July 2020

This has been an unprecedented year for all schools in the country. The unfamiliarity with a global pandemic meant that no educational institution was prepared for Covid-19 and we, like every other college, had to adapt very quickly and adopt new methods of teaching and learning with little time to prepare. This required immense efforts on the part of both teaching and non-teaching staff to modify our methods of engagement, which was matched by a significant commitment from students (and their parents) to embrace remote learning. The College leaders performed exceptionally during this period and have continued to do so in the new academic year, preparing and updating risk assessments on a regular basis; amending timetables; enhancing procedures to remain Covid-secure; up-training staff with online tools; and, most importantly, maintaining excellent lines of communication with all stakeholders.

Against this unparalleled backdrop, the College was already facing its toughest year yet in terms of expected financial outturn. Governors were anticipating a downgrade in our financial status before the year started, based on constrained funding and rising costs. External funding, which accounts for 95% of our income, remained constant, but we lost all letting income as we entered lockdown from March onwards. However, as a result of careful management and reduced expenditure, the outcome has been better than expected. On the basis of EBITDA-as-a-percentage-of-income, the College remains financially 'Outstanding', despite a deficit of £221,679 for 2019/20 (vs a 2018/19 surplus of £26,902).

For the very first time, students were awarded Centre Assessed Grades at A level due to their enforced absence from College from March until the end of the academic year. Ofqual dropped their algorithmic overlay in favour of teacher assessments alone. This led to a strong set of results for students at the College but only after a confused, uncertain and stressful time for all. Currently, exams for 2020/21 are expected to be taken by students in the conventional way but with a postponement of three weeks to allow for additional teaching and learning time.

Whilst coping with Covid, the College will benefit from an improvement in funding in 2020/21. From September 2020 onwards, the base rate of £4,000 per student rose to £4,188 and there are additional financial incentives for students who take more than one STEM subject at A level. The impact of these changes will result in a total funding increase of approximately £900,000 compared to 2019/20. Against that uplift, the College expects a significant drop in lettings income and a significant increase in costs related to managing the pandemic (e.g. cleaning, maintenance, IT infrastructure, etc.). The additional funding has already been allocated in the 2020/21 budget for essential items, as the College begins to catch up on ten years of austerity.

The project to open a specialist maths school on the College campus received approval from the DfE during the year but the opening of the new school is now expected in September 2023. This project is a partnership between Woodhouse and Imperial College London, one of the world's leading universities that specialises in science, engineering, medicine and business. Together, we are creating the Frontier Learning Trust, a multi-academy trust that will launch in January 2021 to oversee the management of both Woodhouse College and the Imperial College London Mathematics School. Woodhouse and Imperial have developed an excellent working relationship, sharing responsibilities in strategy, governance and academic & financial performance management.

I am eternally grateful for the efforts of the senior leadership team, as well as all staff and students during the most challenging period of modern times. I am grateful too to our governors who have backed the leadership through the pandemic and, at the same time, supported the strategic development of the College as it transitions from independent corporation to academy trust.

Peter Green

Chair

Date:

NATURE, OBJECTIVES AND STRATEGIES

The members of the Corporation present their report and the audited financial statements of Woodhouse College (the 'College') and its subsidiary, Woodhouse College Trading Limited, (together referred to as the 'Group') for the year ended 31 July 2020.

Woodhouse College – legal status

The Corporation was established under The Further and Higher Education Act 1992 for the purposes of conducting Woodhouse College ('the College'), and made a designated sixth form college under the Apprenticeships, Skills, Children and Learning Act 2010. The College is an exempt charity for the purposes of the Charities Act 2011.

Mission

The mission of Woodhouse College is to be an inspirational and nurturing community that is committed to excellence and equips high-achieving, ambitious students with the skills to thrive on their preferred university course and in the wider world of work.

Public benefit

The College is an exempt charity under Part 3 of the Charities Act 2011 and from 1 September 2013, has been regulated by the Secretary of State for Education as Principal Regulator for all Sixth Form Colleges in England. The members of the Corporation, who are trustees of the charity, are disclosed on pages 14 and 15.

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

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Strong student support systems
- Excellent record of employment for students
- Links with employers, industry and commerce

Implementation of strategic plan

In July 2020, the College adopted a strategic plan for the period 1 August 2020 to 31 July 2021. This strategic plan included financial, educational and campus development plans. The Corporation monitors the performance of the College against these plans. The plans are reviewed and updated each year. The College's continuing strategic objectives are to:

NATURE, OBJECTIVES AND STRATEGIES (continued)

Implementation of strategic plan (continued)

1. Maintain and improve academic standards
2. Review and improve pastoral support systems
3. Pursue the maths school project
4. Develop plans for financial viability beyond 2020
5. Attract and retain good staff
6. Maintain and extend reputation of the College

The College's specific targets for 2019/20 and achievement of those targets are addressed below.

	2019-20 Targets	**2019-20 Actual**
1. Student Enrolments at census date	1,460	1,490
3. Retention (whole student)	99%	94.2%
4. A Level High Grade Rates	72%	75%
5. Student Attendance	94%	94.5%
6. Student satisfaction (would recommend)	95%	96.7%
7. Proportion of UCAS acceptances of firm or insurance offer	80%	75%
8. Progression Russell Group Universities	60%	60%
9. Level 3 VA Score/ALPS	0.10/3	N/A
10. Average AS/AL class size (exc. music)	20.5	20.1
11. Overall effectiveness	Outstanding	Outstanding
12. Financial Status	Good	Outstanding

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. In the academic year beginning in April 2019 the College had 100 FTE staff and one relevant union representative who worked on behalf of NEU members. The work done by this representative is in addition to their salaried work for the College, therefore both the actual number of salaried hours and the percentage of the pay bill spent on facility time was zero.

FINANCIAL POSITION

Financial results

The Group achieved a deficit of £221,679 (2019 - surplus of £26,902) before actuarial losses of £350,000 (2019 – actuarial losses of £470,000), resulting in total comprehensive expenditure for the year of £571,679 (2019 – £443,098).

At 31 July 2020, the Group had accumulated reserves of £6,549,037 (2019 - £7,120,716) and cash balances of £2,435,112 (2019 - £2,295,971). The Group and College wishes to continue to accumulate reserves and cash balances in order to create a contingency fund.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2019/20 the FE funding bodies provided 95% of the College's total income (2019 – 94%).

Lettings income was reduced as lets had to be cancelled due to Covid-19. Although the College incurred some additional costs, due to the pandemic, these additional costs were off-set by savings in other areas, most notably exam entry fees.

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

Short-term borrowing for temporary revenue purposes is authorised by the Principal. Such arrangements are restricted by limits in the College's funding agreement previously agreed with the ESFA. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the funding agreement.

Cash flows and liquidity

For 2019/20 the net cash inflow from operating activities was £346,595, (2018/19 £647,112).

The College has no borrowings.

The College attempts to ensure that it has at least 90 days cash reserves available. This is not a formal policy of the Corporation but a guideline adopted by the Finance & Operations Committee. At 31 July 2020, the College had 121 days cash reserves available (2019 – 121 days reserves available).

Reserves policy

The Group and College has no formal reserves policy but recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. The Group and College currently holds no restricted reserves. As at the balance sheet date, the Group income and expenditure account stood at £4,778,463 (2019 - £5,294,426).

FINANCIAL POSITION (continued)

Going concern

In February and March 2020 the Corporation of Woodhouse College consulted on a proposal that the College should become a 16-19 academy, therefore moving it from being a sixth form college to being an academy school. This proposal was approved by Government and the planned conversion date is 1 January 2021. As part of the conversion the assets, liabilities and activities of Woodhouse College will be transferred to a newly established academy trust, Frontier Learning Trust, with Woodhouse College subsequently being dissolved. As a result, these financial statements have been prepared on a basis other than the going concern basis. This does not result in any adjustments to the reported figures.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Financial health

Despite increased labour costs and inflation, the Group has healthy cash balances of £2,435,112 at 31 July 2020 (2019 - £2,295,971). This is equivalent to four months' worth of expenditure. The College still maintains an "Outstanding" financial status.

A trading subsidiary (Woodhouse College Trading Limited) was set up on 24 February 2017 to deal with the College's commercial income. It has an independent Chair and has covenanted all of its profits for the year to 31 July 2020 to the College. The College is its only shareholder.

Student numbers

In 2019/20 the College has delivered activity that has produced £7,058,551 in funding body main allocation funding (2018/19 – £6,938,055). The College had funding based on 1,473 funded students (2018/19 – 1,452).

Student achievements

Students continue to prosper and succeed at the College. In a unique year, where A level grades were derived from teacher predictions rather than exams, the overall grade profile was the best in the College's history. This enabled excellent progression: 58% to Russell Group universities, 30 to medical schools and 22 to Oxbridge, all record figures.

Curriculum developments

The College has a strong reputation in north London as an aspirational destination and as a bridge to university. A levels have completed their transition to full linearity. The College has remodelled its curriculum structure, its timetable, and its extra-curricular programme.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2019 to 31 July 2020, the College paid 91% of its invoices within 30 days (2019 – 93%). The College incurred no interest charges in respect of late payment for this period.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (continued)

Events after the end of the reporting period
Other than the planned conversion of the College to a multi academy trust, as detailed within Going Concern on page 6 and future plans below, there are no post balance sheet events to report.

Future prospects
The immediate future for the College is one of dramatic change and challenge. We are currently in a pandemic, trying to maintain a high quality of educational experience and a safe working environment. The College is currently operating under an amended timetable to minimise the number of students on site at any one-time.

It is expected that the income that the Group receives from lettings will be reduced in the current year due to the ongoing pandemic and associated restrictions. The College has incurred significant expenditure to modify the College site so that it could re-open safely to all students and staff in September.

In January 2021 the conversion to 16-19 academy status will be complete; this will make the departure from the world of further education and a return to the schools sector. A new set of members, trustees and governors will come together, some drawn from Imperial College London, one of the most prestigious universities in Europe. At the end of the academic year, the current principal retires after over 8 years in post and his successor will lead the College and the new trust. The building, marketing and recruitment for the new maths school, belonging to the trust and situated on the College's grounds, is planned to take place in the next two years, opening in September 2023.

Resources
The Group has various resources that it can deploy in pursuit of its strategic objectives. This includes tangible fixed assets of £10,922,754 (2019 - £11,350,058) and £1,851,779 (2019 - £1,650,646) held in net current assets.

Financial
The Group had £6,549,037 (2019 - £7,120,716) of net assets after deducting a £3,276,000 pension liability (2019 - £2,717,000). The Group and College have no debt.

People
The College employs 127 people, 82 of whom are teaching staff (2019 – 131, including 83 teaching staff).

Reputation
The College has an excellent reputation locally and nationally. Maintaining a quality brand is essential for the College's success in attracting students and external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Based on the strategic plan, the College's Senior Leadership Team ('SLT') undertakes a comprehensive review of the risks to which the Group and College are exposed. SLT identifies systems and implements procedures, including specific actions which should mitigate any potential negative impact on the Group and College. Each subsequent year's appraisal will review the effectiveness of those procedures as well as progress with risk mitigation actions. In addition to the annual review, SLT will also consider any risks which may arise as a result of a new area of work being undertaken by the Group and College.

A risk register is maintained at the Group level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Group and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. A report on risks, including any update, is considered at every committee and board meeting.

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

- Student enrolment significantly under target
- Student enrolment significantly over target in some courses
- Inability to stick to budget and live within means
- Safeguarding and/or radicalisation incident giving rise to adverse publicity
- Premises disaster
- Failure of ICT services, InfoSec and other IT risks
- Fraud or failure of financial systems
- Reduction in Ofsted grade
- Poor achievement & progression
- Shortage in recruitment of high calibre staff/Governors
- Loss of morale of staff
- Data breach/GDPR infraction
- Pandemic causing disruption to staff, students and normal college operations

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Government funding
The Group and College has considerable reliance on continued government funding through the ESFA. In 2019/20, 95% (2018/19 - 94%) of the Group's revenue was ultimately publicly funded and this level of requirement is expected to continue. The funding rate for the 16-19 students for 2020/21 was increased, this funding increase is the first for five years.

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

- The effect of increasing competition in the local sixth form landscape
- The impact of inflation and salary increases
- The constraints of accommodation on the ability to grow student numbers

The College has discussed in the 2020-23 strategic plan how it will mitigate against the risks of inadequate funding.

Tuition fee policy
The College does not charge fees because all of its students are 16-19 and on full-time A level programmes.

Pension liabilities
The financial statements report the share of the Local Government Pension Scheme deficit on the Group and College's balance sheet, in line with the requirements of FRS 102.

STAKEHOLDER RELATIONSHIPS

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

- Students;
- Parents/Carers;
- Education sector funding bodies;
- FE Commissioner;
- Staff;
- Local employers (particularly through the Career Ready board);
- Local authorities;
- The local community;
- Other schools and colleges;
- Trade unions; and
- Professional bodies.

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

Equal opportunities

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy is published on the College's website and VLE.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

Disclosure of information to auditors

The members of the Corporation 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 Group and 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 Group and College's auditors are aware of that information.

Signed on behalf of the Corporation:

Chair

Approved on:

Key management personnel, Members of the Corporation and professional advisers

Key management personnel
Key management personnel are defined as members of SLT and were represented by the following in 2019/20:

John Rubinstein, Principal and CEO; Accounting officer

Ian Hooper, Vice Principal

Carol Kirkland, Assistant Principal, Business Operations

Becky Sharp, Director Student Services (left 31 August 2019)

Olivia Stanton, Director Student Progress (left 31 May 2020)

Peter Thompson, Assistant Principal, Curriculum

Lubna Hussain Assistant Principal, Student Services (from 1 October 2019)

Members of the Corporation
A full list of Members of the Corporation is given on pages 14 and 15 of these financial statements.

Ms B Yap acted as Clerk to the Corporation throughout the period.

Financial statements, regularity and internal auditor:
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers:
National Westminster Bank plc
768 High Road
London
N12 9NZ

The following statement is provided to enable readers of the annual report and financial statements of the Group and College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2019 to 31 July 2020 and up to the date of approval of the annual report and financial statements.

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

In the opinion of the Governors, the Group and College complies with or exceeds all the provisions of the Code, and it has complied throughout the year ended 31 July 2020. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Members of the Corporation, 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.

Members of the Corporation

The members of the Corporation who served during the year are listed below:

	Date of (re-) appointment	Term of office	Date of resignation	Status of appointment	Committees served during the year**	Attendance in 2019/20
Ms A Adesanya	11.09.19	4 years		Staff Member	F&O	70%
Mr L Alsford	01.01.19	1 year	31.12.20	Student Member	Q&S	100%
Ms L Blades	21.10.13 r 21.10.17	4 years		Independent Member	Q&S (C), S&G, Remuneration	46%
Ms P Chowdhury*	01.09.18	4 years		Independent Member	F&O	83%
Ms D Cooke	01.09.19	4 years		Independent Member	Q&S	100%
Ms H Dixon	01.09.16 r 23.03.20	4 years		Co-opted Member	Audit	100%
Ms F Esuola	28.10.20	4 years		Independent Member	Audit	88%
Ms D Goldring	23.03.09 r 23.03.12 r 23.03.16 r 22.03.21	4 years		Independent Member	F&O, S&G, Remuneration (C) (Safeguarding Governor)	100%
Mr P Green	23.03.13 r 23.03.17 r 01.09.18	4 years		Independent Member	Chair, F&O, S&G (C), Remuneration	100%
Ms B Goodman-Spears	01.01.19	1 year	31.12.20	Student Member	Q&S	100%
Ms L Harrison	28.10.19	4 years		Independent Member	F&O	75%
Ms A Hille	25.03.19	4 years		Independent Member	Audit	90%
Miss Y Jedidi	01.01.19	1 year		Student Member	Q&S	80%
Mr M Konneh	01.09.18	4 years		Independent Member	Audit	100%
Ms J Large (on behalf of P Rankin)	01.09.19	4 years		Acting Staff Member	Q&S	100%
Mr M Macchitella	20.10.16 r 28.10.18	4 years		Independent Member	Q & S	100%
Mr A Marrocco	29.10.18	4 years		Independent Member	F&O (C), S&G Remuneration	100%
Mr J Marshall	30.10.17	4 years		Independent Member	F&O	100%
Mr M McIntosh	07.07.08 r 06.07.12 r 06.07.16	4 years	06.07.20	Independent Member	Q & S	89%
Mr P Murphy	10.09.15	4 years	10.09.19	Staff Member	F&O	NA
Miss O Opara	09.01.19	1 year		Student Member	Q&S	80%
Mrs H Pettifor	22.10.13 r 21.03.16 r 10.12.18 r 10.12.20	2 years		Independent Member	Vice Chair, Q&S, S&G, Remuneration	85%

Members of the Corporation (continued)

	Date of (re-) appointment	Term of office	Date of resignation	Status of appointment	Committees served during the year**	Attendance in 2019/20
Mr P Rankin**	01.09.19	4 years		Staff Member	Q&S	Extended Leave of absence
Mr J Rubinstein	01.01.13	Ex officio		Principal	F&O, S&G,	100%
Mr Z Sheikh	01.09.18	4 years		Independent Member	Audit (C), S&G	92%
Ms I Warwick	25.03.19	2 years	31.08.20	Parent Member	Q&S	78%

F&O – Finance & Operations, S&G – Search & Governance, Q&S – Quality & Standards

Mrs B Yap is the Clerk to the Corporation.

* Pamela Chowdhury is on maternity leave from 10 March 2020 and was granted an extended leave of absence by the Board on 23 March 2020.

** Piers Rankin was granted an extended leave of absence on 8 July 2019 by the Board and Jo Large was appointed to act in his place.

The Corporation

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

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance & Operations, Remuneration, Search & Governance, Audit, Strategy and Quality & Standards. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are published on the College website or are available from the Clerk to the Corporation at byap@woodhouse.ac.uk or:

Woodhouse College
Woodhouse Road
North Finchley
London
N12 9EY

The Corporation (continued)

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 members of the Corporation are able to take independent professional advice in furtherance of their duties, at the College's expense, and have access to the Clerk to the Corporation, who is responsible to the Corporation 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 members of the Corporation in a timely manner, prior to Corporation and Committee meetings. Briefings are also provided on an ad-hoc basis.

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search & Governance Committee comprising six members and the Principal, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years and are eligible for re-appointment.

Corporation performance

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2020.

Remuneration Committee

Throughout the year ended 31 July 2020, the College's Remuneration Committee comprised five members. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Senior Post Holders: Principal, Vice-Principal and Clerk to the Governors.

Details of emoluments for senior managers for the year ended 31 July 2020 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises five members of the Corporation (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the Group and College's systems of internal control and its arrangements for risk management control and governance processes.

The Audit Committee generally meets a minimum of once per term and provides a forum for reporting by the Group and College's internal and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The Group and College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed recommendations, and internal audit undertake periodic follow up reviews to ensure that such recommendations have been implemented.

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

Internal control

Scope of responsibility

The Corporation is ultimately responsible for the Group and 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 Group and College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with responsibilities assigned to him in the funding agreement between the College and ESFA. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

Internal control (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Group and 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 was in place at the Group and College during the year ended 31 July 2020 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 Group and College's significant risks that was in place during the period ended 31 July 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Corporation;
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines, where appropriate.

Although it is no longer a mandatory requirement, the Group uses an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At least annually, the internal auditors provide the Corporation with a report on internal audit activity at the College.

Internal control (continued)

Review of effectiveness

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

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

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

SLT receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. SLT and the Audit Committee also receive reports from the internal auditor 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 thereon from SLT and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2020 Board meeting, the Corporation carried out the annual assessment for the year ended 31 July 2020 by considering documentation from SLT and the internal auditor, and taking account of events since 31 July 2020.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the Group and 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*".

Chair　　　　　　　　　　　　Accounting Officer

Date:

The members of the Corporation of the College are required to present audited financial statements for each financial year.

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Group and 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 College.

The Corporation is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and College, and to enable it to ensure that the financial statements are prepared in accordance with 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 assets of the Group and College and to prevent and detect fraud and other irregularities.

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that all financial transactions conform to 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.

Statement of the responsibilities of the members of the Corporation

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 and signed on its behalf by:

Chair

Date:

Corporation's statement on the College's regularity, propriety and compliance with funding body terms and conditions of funding Year to 31 July 2020

The Corporation has considered its responsibility to notify the ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the funding agreement in place between the College and the ESFA. As part of our consideration we have had due regard to the requirements of the funding agreement.

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

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.

Signed on behalf of the Corporation

Chair Accounting Officer

Date:

Independent auditor's report to the members of the Corporation of Woodhouse College

We have audited the financial statements of Woodhouse College (the 'College') and its subsidiary (the 'Group') for the year ended 31 July 2020, which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in reserves, the balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and College's affairs as at 31 July 2020 and of its 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 Group and 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

We draw attention to the accounting policy on page 32 which states that these financial statements have been prepared on a basis other than a going concern basis. This is due to the legal transfer of activities, assets and liabilities of the College to a new legal entity as part of the conversion from a sixth form college to a 16-19 academy.

Other information

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

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the ESFA requires us to report to you if, in our opinion:

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

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines 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 Group and 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 intends to liquidate the Group or College or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of this report

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

Buzzacott LLP
Chartered Accountants and Registered Auditors
130 Wood Street
London
EC2V 6DL

In accordance with the terms of our engagement letter dated 12 June 2017 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Woodhouse College during the period 1 August 2019 to 31 July 2020 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Woodhouse College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the Group and College's activities;

- Further testing and review of self-assessment questionnaire including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Consolidated statements of comprehensive income Year to 31 July 2020

	Notes	**Group 2020 £**	**College 2020 £**	Group 2019 £	College 2019 £
Income					
Funding body grants	1	**7,595,936**	**7,595,936**	7,234,781	7,234,781
Other income	2	**338,785**	**164,547**	428,701	186,405
Investment income	3	**14,836**	**14,836**	11,447	11,447
Donations and endowments	4	**22,693**	**182,028**	25,393	245,909
Total income		**7,972,250**	**7,957,347**	7,700,322	7,678,542
Expenditure					
Staff costs	5	**6,026,859**	**6,026,859**	5,552,575	5,552,575
Other operating expenses	7	**1,458,475**	**1,443,572**	1,374,190	1,352,410
Depreciation	10	**652,958**	**652,958**	667,413	667,413
Interest and other finance costs	8	**59,000**	**59,000**	60,000	60,000
Total expenditure		**8,197,292**	**8,182,389**	7,654,178	7,632,398
(Deficit) surplus before other gains and losses		**(225,042)**	**(225,042)**	46,144	46,144
Surplus (loss) on disposal of assets		**3,363**	**3,363**	(19,242)	(19,242)
(Deficit) surplus before tax		**(221,679)**	**(221,679)**	26,902	26,902
Taxation	9	**—**	**—**	—	—
(Deficit) surplus for the year		**(221,679)**	**(221,679)**	26,902	26,902
Actuarial losses in respect of pensions	16	**(350,000)**	**(350,000)**	(470,000)	(470,000)
Total comprehensive expenditure for the year		**(571,679)**	**(571,679)**	(443,098)	(443,098)
Represented by:					
Unrestricted comprehensive expenditure		**(571,679)**	**(571,679)**	(443,098)	(443,098)

This consolidated statement of comprehensive income is in respect of continuing activities.

Consolidated statement of changes in reserves Year to 31 July 2020

Group and College	Income and expenditure account £	Revaluation reserve £	**Total £**
Balance at 31 July 2018	5,681,807	1,882,007	**7,563,814**
Surplus from the income and expenditure account	26,902	—	**26,902**
Other comprehensive income	(470,000)	—	**(470,000)**
Transfers between revaluation and income and expenditure reserves	55,717	(55,717)	**—**
Total comprehensive expenditure for the year	(387,381)	(55,717)	**(443,098)**
Balance at 31 July 2019	5,294,426	1,826,290	**7,120,716**
Deficit from the income and expenditure account	(221,679)	—	**(221,679)**
Other comprehensive income	(350,000)	—	**(350,000)**
Transfers between revaluation and income and expenditure reserves	55,716	(55,716)	—
Total comprehensive expenditure for the year	(515,963)	(55,716)	**(571,679)**
Balance at 31 July 2020	4,778,463	1,770,574	**6,549,037**

Balance sheets as at 31 July 2020

	Notes	**Group 2020 £**	**College 2020 £**	Group 2019 £	College 2019 £
Fixed assets					
Investments	17	**—**	**100**	—	100
Tangible assets	10	**10,922,754**	**10,922,754**	11,350,058	11,350,058
Current assets					
Debtors	11	**191,357**	**291,212**	141,638	291,527
Cash at bank and in hand		**2,435,112**	**2,322,027**	2,295,971	2,140,361
		2,626,469	**2,613,239**	2,437,609	2,431,888
Creditors: amounts falling due within one year	12	**(774,690)**	**(761,560)**	(786,963)	(781,342)
Net current assets		**1,851,779**	**1,851,679**	1,650,646	1,650,546
Total assets less current liabilities		**12,774,533**	**12,774,533**	13,000,704	13,000,704
Creditors: amounts falling due after more than one year	13	**(2,949,496)**	**(2,949,496)**	(3,162,988)	(3,162,988)
Provisions					
Defined benefit obligations	14	**(3,276,000)**	**(3,276,000)**	(2,717,000)	(2,717,000)
Total net assets		**6,549,037**	**6,549,037**	7,120,716	7,120,716
Unrestricted reserves					
Income and expenditure account		**4,778,463**	**4,778,463**	5,294,426	5,294,426
Revaluation reserve		**1,770,574**	**1,770,574**	1,826,290	1,826,290
Total unrestricted reserves		**6,549,037**	**6,549,037**	7,120,716	7,120,716

The financial statements on pages 28 to 48 were approved by the Corporation and signed on its behalf by:

Chair

Accounting Officer

Approved on:

Consolidated statement of cash flows Year to 31 July 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
(Deficit) surplus for the year		**(221,679)**	26,902
Adjustment for non-cash items			
Depreciation		**652,958**	667,413
Increase in debtors		**(49,719)**	(76,206)
Decrease in creditors due within one year		**(12,273)**	(164,133)
(Decrease) increase in creditors due after one year		**(213,492)**	72,341
Pensions costs less contributions payable		**209,000**	113,000
Adjustment for investing or financing activities			
Investment income		**(14,837)**	(11,447)
(Surplus) deficit on sale of fixed assets		**(3,363)**	19,242
Net cash flow from operating activities		**346,595**	647,112
Cash flows from investing activities			
Proceeds from sale of fixed assets		**9,297**	11,396
Investment income		**14,837**	11,447
Payments made to acquire fixed assets		**(231,588)**	(567,854)
		(207,454)	(545,011)
Increase in cash in the year		**139,141**	102,101
Cash and cash equivalents at 1 August	A	**2,295,971**	2,193,870
Cash and cash equivalents at 31 July	A	**2,435,112**	2,295,971

A Analysis of cash and cash equivalents

	2020 £	2019 £
Cash and cash equivalents: cash at bank and in hand	**2,435,112**	2,295,971

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

Basis of preparation
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2019 to 2020 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The Group and 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 Group and College's accounting policies.

Basis of accounting
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

Basis of consolidation
The consolidated financial statements include the College and its subsidiary, Woodhouse College Trading Company Limited, a company registered in England and Wales (Company Registration Number 10638738). The company operates the lettings for the College and the College owns the entire share capital of £100.

The results of the subsidiary are included in the consolidated income and expenditure account. Intra-group sales and profits are eliminated fully on consolidation.

Going concern
The activities of the Group and College, together with the factors likely to affect its future development and performance, are set out in the operating and financial review. The financial position of the Group and College, its cash flow and liquidity are presented in the financial statements and accompanying notes.

In February and March 2020 the Corporation of Woodhouse College consulted on a proposal that the College should become a 16-19 academy, therefore moving it from being a sixth form college to being an academy school. This proposal was approved by Government and the planned conversion date is 1 January 2021. As part of the conversion the assets, liabilities and activities of Woodhouse College will be transferred to a newly established academy trust, Frontier Learning Trust, with Woodhouse College subsequently being dissolved. As a result, these financial statements have been prepared on a basis other than the going concern basis. This does not result in any adjustments to the reported figures.

Recognition of income

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

Grants from non-government sources are recognised in income when the Group and 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.

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

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

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.

Accounting for post-employment benefits (continued)

London Borough of Barnet 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 is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings
The College's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value.

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years with the exception of temporary buildings which are depreciated over 10 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Tangible fixed assets (continued)

Land and buildings *(continued)*
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 1993, as deemed cost and not to adopt a policy of revaluations of these properties in the future.

Assets under construction
Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 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, it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis.

Equipment
Equipment costing less than £1,000 (including VAT) per individual item is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost and depreciated over its useful economic life as follows:

- Fixtures and fittings - 20% per annum

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

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.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purpose.

Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determination of indicators of impairment of the College's tangible assets.

  Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty are in respect of:

- 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.

- 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 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2020. 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.

1 Funding body grants – Group and College

	2020 £	2019 £
Recurrent grants		
Education and Skills Funding Agency (16-18)	**7,058,551**	6,938,055
Specific grants		
Other Education and Skills Funding Agency grants	**43,666**	40,217
Teacher Pension Scheme contribution grant	**221,894**	—
Release of government capital grants	**271,825**	256,509
	7,595,936	7,234,781

2 Other income

	Group 2020 £	**College 2020 £**	Group 2019 £	College 2019 £
Letting and hire charges	**174,238**	—	242,296	—
Other Grants	**90,687**	**90,687**	59,770	59,770
Student Contributions	**41,176**	**41,176**	72,795	72,795
Other income	**32,684**	**32,684**	53,840	53,840
	338,785	**164,547**	428,701	186,405

3 Investment income – Group and College

	2020 £	2019 £
Interest receivable	**14,836**	11,447

4 Donations and endowments

	Group 2020 £	**College 2020 £**	Group 2019 £	College 2019 £
Woodhouse College Trading Company Limited (note 17)	**—**	**159,335**	—	220,516
Other donations	**22,693**	**22,693**	25,393	25,393
	22,693	**182,028**	25,393	245,909

5 Staff costs – Group and College

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

	2020 No.	2019 No.
Teaching staff	**82**	83
Non-teaching staff	**45**	48
	127	131

5 Staff costs (continued)

Staff costs for the above persons were:

	2020 £	2019 £
Wages and salaries	**4,403,905**	4,248,572
Social security costs	**456,150**	443,564
Other pension costs (note 16)	**1,166,804**	860,439
	6,026,859	5,552,575
Restructuring costs	—	—
	6,026,859	5,552,575

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the College and are represented by SLT which comprises the Principal, Vice Principal, Assistant Principal - Business Operations, Assistant Principal,-Student Services, Director of Student Progress and the Assistant Principal - Curriculum.

	2020 No.	2019 No.
The number of key management personnel including the Accounting Officer	**7**	6

Key management personnel emoluments are made up as follows:

	2020 £	2019 £
Salaries	**430,222**	470,435
Benefits in kind	**4,440**	5,807
	434,662	476,242
Pension contributions	**104,829**	87,654
	539,491	563,896

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid senior post-holder).

	2020 £	2019 £
Salary	**113,744**	110,475
Pension contributions	**26,270**	18,206
	140,014	128,681

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

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

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

	Key management personnel	
	2020 No.	2019 No.
£1 to £5,000	**1**	—
£35,001 to £40,000	**1**	—
£45,001 to £50,000	**—**	1
£50,001 to £55,000	**—**	1
£60,001 to £65,000	**1**	1
£65,001 to £70,000	**1**	1
£75,001 to £80,000	**1**	1
£80,001 to £85,000	**1**	—
£110,001 to £115,000	**—**	1
£115,001 to £120,000	**1**	—
	7	6

No other employees earned in excess of £60,000 per annum during the year (2019 – none).

In June 2020, The Remuneration Committee, on behalf of the Governing Body, agreed to comply with the AoC's Senior Staff Remuneration Code and will assess pay in line with its principles in the future, where appropriate.

The remuneration package of Senior Post Holders, which includes the Principal, Vice Principal and Clerk to the Corporation, is subject to annual review by the Remuneration Committee of the Governing Body, who use benchmarking information to provide objective guidance.

The Senior Post Holders report to the Chair of Governors, who undertakes an annual review of their performance against previously agreed objectives using both qualitative and quantitative measures of performance.

Relationship of Principal pay and remuneration expressed as a multiple

	2020	2019
Principal's basic salary as a multiple of the median of all staff	**2.6**	2.7
Principal's total remuneration as a multiple of the median of all staff	**2.7**	2.7

7 Other operating expenses

	Group 2020 £	College 2020 £	Group 2019 £	College 2019 £
Teaching costs	**304,626**	**304,626**	388,933	388,933
Non-teaching costs	**631,566**	**628,346**	527,994	523,842
Premises costs	**522,283**	**510,600**	457,263	439,635
Total	**1,458,475**	**1,443,572**	1,374,190	1,352,410
Other operating expenses include:				
Auditors' remuneration:				
. Financial statements audit	**15,000**	**13,100**	14,100	12,240
. Internal audit	**2,880**	**2,880**	8,220	8,220
. Other services provided by the financial statements auditor	**7,060**	**4,840**	6,870	4,710

8 Interest payable and other finance costs – Group and College

	2020 £	2019 £
Net interest on defined pension liability (note 16)	**59,000**	60,000

9 Taxation

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

10 Tangible fixed assets – Group and College

	Freehold land and buildings £	Assets under construction £	Fixtures and equipment £	**Total £**
Cost or valuation				
At 1 August 2019	15,854,167	45,781	2,468,433	**18,368,381**
Additions	38,417	20,724	172,447	**231,588**
Transfers	9,871	(45,781)	35,910	**—**
Disposals	—	—	(91,721)	**(91,721)**
At 31 July 2020	15,902,455	20,724	2,585,069	**18,508,248**
Depreciation				
At 1 August 2019	4,783,121	—	2,235,202	**7,018,323**
Charge for the year	480,644	—	172,314	**652,958**
On disposals	—	—	(85,787)	**(85,787)**
At 31 July 2020	5,263,765	—	2,321,729	**7,585,494**
Net book values				
At 31 July 2020	10,638,690	20,724	263,340	**10,922,754**
At 31 July 2019	11,071,046	45,781	233,231	**11,350,058**

Land and buildings, with the exception of that identified as surplus to the requirements of a college of Woodhouse College's size, were valued for the purpose of the 1994 financial statements at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the Local Education Authority at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice.

The Group and College carries inherited assets at an inherited valuation of £1,770,574 (2019 - £1,826,291). The assets were valued on incorporation and have not been updated since. The historic cost of the assets is £nil.

Land and buildings with a net book value of £3,463,108 (2019 - £3,558,673) have been partially funded by the former LSC and the ESFA. Should these assets be sold, the Group and College would either have to surrender the sale proceeds to the funding bodies or use them in accordance with the funding agreement.

During 2015/16 the College received a grant of £220,554 from the Football Foundation. In accordance with the grant agreement, a charge has been registered over the floodlit 3G Football Turf Pitch, for which the grant was provided to partially fund. The charge prevents the sale or leasing of the premises without prior consent. The net book value of the project costs at 31 July 2020 was £148,220 (2019 - £192,760).

None of the assets are held under finance leases.

As at 31 July 2020, the Group and College had capital commitments of £481,925 (2019 - £85,104).

11 Debtors

	Group 2020 £	College 2020 £	Group 2019 £	College 2019 £
Trade debtors	**4,871**	**—**	3,134	—
Prepayments and accrued income	**182,900**	**182,900**	137,471	137,471
Amounts due from subsidiary undertaking	**—**	**104,726**	—	153,023
Other debtors	**3,586**	**3,586**	1,033	1,033
	191,357	**291,212**	141,638	291,527

12 Creditors: amounts falling due within one year

	Group 2020 £	College 2020 £	Group 2019 £	College 2019 £
Trade creditors	**73,615**	**62,477**	60,475	58,614
Other creditors	**176,396**	**176,396**	210,835	210,835
Social security and other taxation	**114,966**	**114,966**	113,061	113,061
Accruals and deferred income	**192,804**	**190,812**	132,350	128,590
Deferred income – government capital grants	**216,909**	**216,909**	270,242	270,242
	774,690	**761,560**	786,963	781,342

13 Creditors: amounts falling due after one year – Group and College

	2020 £	2019 £
Deferred income – government capital grants	**2,949,496**	3,162,988

14 Provisions – Group and College

Defined benefit obligations (note 16)	2020 £	2019 £
At 1 August	**2,717,000**	2,134,000
Change in the year	**559,000**	583,000
At 31 July	**3,276,000**	2,717,000

15 Events after the reporting period

In February and March 2020 the Corporation of Woodhouse College consulted on a proposal that the College should become a 16-19 academy, therefore moving it from being a sixth form college to being an academy school. This proposal was approved by Government and the planned conversion date is 1 January 2021. As part of the conversion the assets, liabilities and activities of Woodhouse College will be transferred to a newly established academy trust, Frontier Learning Trust, with Woodhouse College subsequently being dissolved.

There are no other events after the reporting period (2019 – none).

16 Defined benefit obligations

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 London Borough of Barnet. 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 as at 31 March 2016 and of the LGPS 31 March 2019.

Total pension cost for the year	**2020 £**	**2020 £**	2019 £	2019 £
Teachers' Pension Scheme: contributions paid		**666,726**		464,987
Local Government Pension Scheme				
. Contributions paid	**350,078**		342,452	
. FRS 102 (28) charge	**150,000**		53,000	
Charge to the Statement of Comprehensive Income		**500,078**		395,452
Total pension cost for year within staff costs (note 5)		**1,166,804**		860,439

At 31 July 2020, all contributions amounting were paid up to date (2019 – £nil outstanding).

Teachers' Pension Scheme (TPS)

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

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

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

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

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

16 Defined benefit obligations (continued)

Teachers' Pension Scheme (TPS) *(continued)*

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £666,726 (2019: £464,987)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Barnet Local Authority. The total contributions made for the year ended 31 July 2020 were £425,808 (2019 - £405,735) of which employer's contributions totalled £350,078 (2019 - £342,452) and employees' contributions totalled £75,730 (2019 - £63,283). The agreed contribution rate for future years is 26.4%. Employee contribution rates range from 5.5% to 9.9%, depending on salary.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2020 by a qualified independent actuary.

	2020 **%**	2019 %
Pension increase rate	**2.2**	2.4
Salary increase rate	**2.9**	2.7
Discount rate	**1.4**	2.1
Commutation of pensions to lump sums (pre April 2008 service)	**50**	50
Commutation of pensions to lump sums (post April 2008 service)	**75**	50

16 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions (continued)

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

	2020	2019
Retiring today		
Males	**21.7**	21.0
Females	**24.0**	23.3
Retiring in 20 years		
Males	**22.9**	22.3
Females	**25.7**	25.1

Sensitivity analysis:

Impact of a change in assumptions on the net pension liability	**2020 £**	2019 £
Discount rate -0.5%	**789,000**	747,000
Salary increase rate +0.5%	**117,000**	100,000
Pension increase rate +0.5%	**654,000**	634,000

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

	2020 £	2019 £
Equities	**2,186,000**	2,078,000
Debt instruments	**1,232,000**	1,130,000
Property	**199,000**	110,000
Cash	**357,000**	328,000
Total fair value of plan assets	**3,974,000**	3,646,000
Present value of scheme liabilities	**(7,250,000)**	(6,363,000)
Deficit in the scheme (note 14)	**(3,276,000)**	(2,717,000)

16 Defined benefit obligations (continued)

Local Government Pension Scheme *(continued)*

Principal actuarial assumptions (continued)

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

	2020 **£**	2019 £
Amounts included in staff costs		
Current service cost	**511,000**	378,000
Past service cost	**(10,000)**	17,000
	501,000	395,000
Amounts included in finance costs		
Net interest costs	**(59,000)**	(60,000)
	(59,000)	(60,000)
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	**(67,000)**	145,000
Changes in assumptions underlying the present value of plan liabilities	**(283,000)**	(615,000)
Amount recognised in Other Comprehensive Income	**(350,000)**	(470,000)

Movement in net defined benefit liability during year

	2020 **£**	2019 £
Net defined benefit liability at 1 August	**(2,717,000)**	(2,134,000)
Movement in year:		
. Current service cost	**(511,000)**	(378,000)
. Past service cost	**10,000**	(17,000)
. Employer contributions	**351,000**	342,000
. Net interest on assets	**(59,000)**	(60,000)
. Actuarial loss	**(350,000)**	(470,000)
Net defined benefit liability at 31 July	**(3,276,000)**	(2,717,000)

16 Defined benefit obligations (continued)

Local Government Pension Scheme *(continued)*

Principal actuarial assumptions (continued)

Asset and liability reconciliation

	2020 **£**	2019 £
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	**6,363,000**	5,234,000
Current service cost	**511,000**	378,000
Past service cost	**(10,000)**	17,000
Interest cost	**139,000**	151,000
Contributions by Scheme participants	**76,000**	63,000
Changes in demographic assumptions	**108,000**	(337,000)
Changes in financial assumptions	**789,000**	952,000
Other experience gains	**(614,000)**	—
Estimated benefits paid	**(112,000)**	(95,000)
Defined benefit obligations at 31 July	**7,250,000**	6,363,000
Changes in fair value of plan assets		
Fair value of plan assets at 1 August	**3,646,000**	3,100,000
Interest on plan assets	**80,000**	91,000
Return on plan assets	**(67,000)**	145,000
Employer contributions	**351,000**	342,000
Contributions by Scheme participants	**76,000**	63,000
Estimated benefits paid	**(112,000)**	(95,000)
Fair value of plan assets at 31 July	**3,974,000**	3,646,000

The 2019 funding valuation included an estimated allowance for the impact of the McCloud judgement which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. Since then, the Ministry of Housing, Communities and Local Government have issued a consultation on the proposed McCloud remedy in the LGPS in July 2020. The proposal is that only members who were active in the LGPS at both 31 March 2012 and 1 April 2014 would be eligible for the benefit underpin. The impact of this announcement means that any McCloud adjustment applied to liabilities will be lower than previously expected, allowing now for the restricted eligibility criteria. This change is reflected in other experience gains above of £614,000.

17 Related party transactions

The College has one wholly owned subsidiary, Woodhouse College Trading Limited (Company Number 10638738). It was incorporated on 24 February 2017. Investments comprise of the holding of the entire 100 ordinary £1 shares in Woodhouse College Trading Limited.

Its operations are to let certain facilities on the premises of Woodhouse College. The company transfers its taxable profits to Woodhouse College via Gift Aid. A summary of the trading results is shown below.

	2020 **£**	2019 £
Turnover	**174,238**	242,296
Cost of sales	**(11,683)**	(17,629)
Gross profit	**162,555**	224,667
Administrative expenses	**(3,220)**	(4,151)
Profit on ordinary activities	**159,335**	220,516
Retained profit at the beginning of the period	**—**	—
Gift Aid to parent undertaking	**(159,335)**	(220,516)
Retained earnings at 31 July	**—**	—

No expenses were paid to or on behalf of the Members of the Corporation during the year (2019: £nil).

No Members of the Corporation received any remuneration or waived payments from the College or its subsidiary during the year (2019: None).